90-993

FILED
DEC 20 1990
JOSEPH F. SPANIOL, JR.
CLERK

No.

In the

Supreme Court of the United States

October Term, 1990

CSX TRANSPORTATION, INC.,
Petitioner,

vs.

STEPHEN RASTALL and TIMOTHY GOWDEY,
Respondents.

PETITION OF CSX TRANSPORTATION, INC. FOR A WRIT OF CERTIORARI TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

Nicholas S. Yovanovic
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, Florida 32202
(904) 359-1244

H. Russell Smouse
Jack L.B. Gohn
Whiteford, Taylor & Preston
Suite 1400
Seven St. Paul Street
Baltimore, MD 21202
(301) 347-8700

Ronald M. Johnson
Counsel of Record
Charles L. Warren
Victoria A. Higman
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 887-4114

Attorneys for Petitioner
CSX TRANSPORTATION, INC.

December 20, 1990

QUESTIONS PRESENTED

1. Does the Railway Labor Act preempt a state court common law breach of contract action by Canadian employees of a U.S.-based railroad alleging violation of a collective bargaining agreement, where the Canadian employees are members of a craft or class composed of predominantly U.S. employees?

2. As parties to a collective bargaining agreement that embodies the dispute resolution procedures of the Railway Labor Act, are the Canadian employees of a U.S.-based railroad required to arbitrate disputes regarding the interpretation of the agreement's grievance procedures?

3. If the Railway Labor Act does not preempt a common law breach of contract action in state court by Canadian employees of a U.S.-based railroad, does federal labor policy nevertheless require that the state court apply federal labor law principles rather than the common law of commercial contracts in interpreting the grievance provisions of collective bargaining agreements?

4. If the Railway Labor Act does not preempt a common law breach of contract action in state court by Canadian employees of a U.S.-based railroad, the federal principle of comity require that a state court apply the labor laws of Canada to claims by Canadian employees arising out of a collective bargaining agreement, where those employees' work is performed entirely in Canada?

LIST OF PARTIES
AND RULE 29.1 LIST

The parties before the court of appeals and this Court are all listed in the caption.

CSX Transportation, Inc. ("CSXT") is a wholly-owned subsidiary of CSX Corporation ("CSX"). The subsidiaries and affiliates of CSXT or CSX, other than those wholly owned by them, are:

The Akron Union Passenger Depot Company;
Allegheny and Western Railway Company;
Augusta and Summerville Railroad Company;
The Baltimore and Cumberland Valley Railroad Extension Company;
Beaver Street Tower Company;
Central Transfer Railway and Storage Company;
Chatham Terminal Company;
Clearfield and Mahoning Railway Company;
Dayton and Michigan Railroad Company;
The Home Avenue Railroad Company;
The Lakefront Dock and Railroad Terminal Company;
Mid-Allegheny Corporation;
North Charleston Terminal company;
Richmond-Washington Company, which has a subsidiary, RF&P Corporation;
Winston-Salem Southbound Railway Company;
Woodstock & Blockton Railway Company

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PETITION OF CSX TRANSPORTATION, INC. FOR A WRIT OF CERTIORARI TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

Petitioner CSX Transportation, Inc. ("CSXT") prays that a Writ of Certiorari be issued to review the opinion and order of the District of Columbia Court of Appeals rendered in these proceedings on May 8, 1990.

OPINIONS BELOW

The opinion of the District of Columbia Court of Appeals is reported at 574 A.2d 271, and is reprinted in the Appendix at A-1-18. [1]The order of the District of Columbia Court of Appeals denying CSX's petition for rehearing, issued on October 10, 1990, is reprinted in the Appendix at A-23. The

[1]"A" refers to the Appendix bound in the same volume as this Petition. "SA" refers to the separately bound Supplemental Appendix, which includes record materials.

opinion and order of the District of Columbia Superior Court, issued on March 1, 1989, is reprinted in the Appendix at A-19-22.

JURISDICTION

The jurisdiction of this Court is invoked under 28 U.S.C. § 1257(a) to review a decision of the District of Columbia Court of Appeals, the highest court in which a decision may be had in the District of Columbia.[2] 28 U.S.C. § 1257(b). The decision for which review is sought was filed on May 8, 1990. A petition for rehearing was timely filed on May 22, 1990 and was denied on October 10, 1990 (A-23).

STATUTORY PROVISIONS INVOLVED

This Petition involves Sections 1, 1a, 2 Ninth, and 3 of the Railway Labor Act ("RLA"), 45 U.S.C. § § 151, 151a, 152 Ninth, and 153, and Section 155(1) of the Canada Labour Code. These statutes are reprinted in the Appendix at A-29-35.[3]

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[2]The order at issue reversed the trial court's grant of summary judgment to Petitioner and remanded the case for trial, rejecting Petitioner's arguments that jurisdiction of Respondents' claim was preempted by federal statute and that application of federal labor law principles required affirmance of the trial court's decision in any event. The order of the D.C. Court of Appeals is thus "plainly final on the federal issue[s]" raised herein, and reversal of the Court of Appeals "would be preclusive of any further litigation." *See Cox Broadcasting Corp. v. Cohn*, 420 U.S. 469, 482 (1975).

[3]The Canada Labour Code has been recently recodified. Former Section 155(1) is now found at Canada Labour Code R.S., c. L-2, s. 57(1). There has been no substantive change to this provision. For simplicity, Petitioner refers to the Code as it was previously organized.

STATEMENT OF THE CASE

Petitioner CSXT, a railroad company incorporated in Virginia, operates approximately 19,000 miles of track in the United States and 200 miles in Ontario, Canada (A-2).[4] CSXT or its predecessors have had Canadian operations and employees since well before the 1926 enactment of the RLA. CSXT inherited its Canadian operations from a predecessor, which acquired control of the Pere Marquette Railway in 1929. *See, e.g., Pere Marquette Ry. Merger*, 267 I.C.C. 207, 212-15 (1947). Of CSXT's 34,000 employees, 200 are Canadian citizens who work in Canada and the remainder are U.S. citizens. CSXT's unionized employees are organized into 13 system-wide crafts or classes. CSXT employees in each craft or class are represented by a single international union, without regard to the citizenship or location of the employees. CSXT is party to collective bargaining agreements with these unions negotiated according to the procedures and substantive requirements of the RLA. These agreements apply to Canadian as well as U.S. employees in the covered job classifications.

This case arises out of a dispute over whether the rates of pay specified in CSXT's collective bargaining agreements, which are expressed only in terms of "dollars", require that CSXT pay its Canadian employees in Canadian dollars or in the equivalent of U.S. dollars. CSXT has historically paid its Canadian employees, all of whom live and work entirely in Canada, in Canadian dollars, without regard to the exchange rate between U.S. and Canadian currency. The exchange rate recently having favored the U.S. dollar for several years, the Respondents, who are two of CSXT's Canadian employees, now wish to be paid in the equivalent of U.S. dollars rather than Canadian dollars (SA-8). Respondents are also claiming

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[4]At the time this action commenced, CSXT operated a 20,000-mile system.

that CSXT's Canadian employees, unlike its U.S. employees, can litigate rather than arbitrate their contract grievances, even though the U.S. and Canadian employees are subject to the same labor agreements, and Canadian grievances have always been handled under the same grievance and arbitration procedures as grievances involving U.S. employees (SA-4).

In accordance with Section 3 of the RLA, 45 U.S.C. § 153, each of the collective bargaining agreements between CSXT and its unions contains arbitration procedures for resolving disputes over the application or meaning of the agreements. For example, the collective bargaining agreement between CSXT and the Brotherhood of Railway Carmen of the United States and Canada ("Carmen"), Respondents' collective bargaining representative, contains a dispute resolution procedure which requires submission of "all claims or grievances" to CSXT representatives for resolution (SA-148-149). Rule 32(c) of that agreement has read, at least since 1955, in part that:

> All claims or grievances involved in a decision by the highest designated officer shall be barred unless within 9 months from the date of said officer's decision proceedings are instituted by the employee or his duly-authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto provided in Section 3 Second of the Railway Labor Act.

Rule 33 similarly provides that "[s]hould the highest designated railroad official, or his duly authorized representative and the aggrieved employee, or his representative as provided in the first paragraph of Rule 32, fail to agree, the case shall then be handled in accordance with the Railroad [sic] Labor Act." (SA-150) Consistent with these provisions, CSXT's Canadian employees have an established past practice of following the

grievance and arbitration procedures set forth in the collective bargaining agreements, which were negotiated in contemplation of RLA requirements (SA-13-17, 19-129).

Rather than pursue the contractual arbitration procedures, however, Respondents initiated a state common law breach of contract action in the District of Columbia Superior Court, and demanded a jury trial.[5] In their complaint (SA-4-5), Respondents sought certification to represent a class of "all past, present and future employees of CSXT who have resided and worked for CSXT in Canada." None of CSXT's unions who, under labor law, are the exclusive representatives of CSXT's employees, U.S. and Canadian, participated in the lawsuit.

CSXT promptly removed the action to the United States District Court for the District of Columbia, asserting that Respondents' claim raised a federal question under the RLA. The District Court remanded to the Superior Court, however, on the basis that the RLA was inapplicable to Canadian citizens working in Canada. *Rastall v. CSX Corp.*, 696 F. Supp. 683 (D.D.C. 1988).

After remand, and before any motion to certify a class was filed, CSXT moved for summary judgment on the grounds that its Canadian employees were required by the RLA and the terms of their collective bargaining agreement, and past practice to arbitrate their grievance. The Superior Court granted CSXT's motion, concluding that the collective bargaining agreement unambiguously required Respondents to arbitrate their dispute, and finding it:

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[5]Respondents apparently selected the D.C. Superior Court because their attorney's office is located in the District of Columbia, and CSXT is subject to that court's jurisdiction because it does business there. (SA-4,9).

> implausible . . . that these unions could have bargained with the Railroad for a dispute resolution provision that would require the Railroad's 32,000 American employees to submit minor disputes such as this one to final and binding arbitration, but would permit the 200 Canadian employees to bypass arbitration and opt for court litigation. Moreover, even if the unions would have had some unknown reason for favoring a tiny minority of their members over the majority, it is hard to imagine why the Railroad would have agreed to such a system. Where, as here, plaintiffs' interpretation of those contracts ignores the realities of the marketplace of collective bargaining and goes against the RLA and the strong policy favoring arbitration embedded in both American and Canadian labor law, it is not unreasonable for the court to demand some evidence in the contract itself or in the circumstances surrounding the making of the contract that this interpretation was intended by the contracting parties. (SA-20-21)

Before the Superior Court issued its ruling, CSXT initiated arbitration proceedings over the currency issue before the National Railroad Adjustment Board ("NRAB"). The NRAB assumed jurisdiction and reached a decision in cases involving the United Transportation Union ("UTU") and Brotherhood of Locomotive Engineers. The NRAB found in each case that, under the agreements and unbroken past practice of more than 30 years, the Canadian employees were to be paid in Canadian dollars. Respondents' attorney separately submitted the dollar issue to the NRAB on behalf of Canadian employees in each of CSXT's various crafts. (SA-167-188) After the NRAB found in CSXT's favor under the UTU

collective agreement for the second time, Respondents' attorney withdrew his other claims before the NRAB.[6]

In a decision unprecedented in U.S. labor law, the D.C. Court of Appeals reversed the Superior Court (A-1-18). The court first determined that the RLA was inapplicable to foreign employees who performed their work entirely outside the United States (A-5-6). The court also rejected CSXT's alternative argument that the Canada Labour Code required that the dispute be arbitrated, ruling that, although the Code expressed a strong preference for arbitration, it did not require arbitration where the parties had provided for an alternative method of resolving disputes (A-7-9).

The court then proceeded to do what this Court has repeatedly held that state courts may not do: it interpreted the grievance provisions of the Carmen's agreement, holding that they permitted Canadian employees to resolve contract disputes in the courts (A-17-18). The court based its interpretation on Rule 32(4) of the Carmen's agreement (A-17), which states that "[t]his Rule is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier." The court conceded (A-14) that its interpretation, if applied to U.S. employees, would contravene the RLA. The court also acknowledged (A-14) that it could find nothing in the language of the provisions or their bargaining history to indicate that CSXT and the unions intended to treat CSXT's Canadian employees differently from its U.S. employees. The court did not even purport to apply the principles applicable to the interpretation

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[6]Counsel for Respondents recently filed suit challenging the jurisdiction of the NRAB to issue these three arbitration awards, relying upon the Court of Appeals decision in *Rastall. Allen v. CSXT and National Railroad Adjustment Board*, No. 90-3045 (D.D.C. filed December 14, 1990).

of collective bargaining agreements under U.S. or Canadian labor law, and gave no weight in its analysis to the parties' uncontested past practice under the agreement to arbitrate the grievances of Canadian employees, never to litigate. The court then remanded the case to the Superior Court for further proceedings on the employees' breach of contract action (A-18).

REASONS FOR GRANTING THE WRIT

This case raises an issue of first impression that has serious implications for every railroad that has a contract covering crafts or classes that include foreign as well as U.S. employees.[7] By holding that the RLA, which governs the labor relations of U.S. railroads, does not preclude a common law breach of contract suit by a U.S.-based railroad's foreign employees, the decision below creates the anomalous result that, merely by crossing the border and bringing suit in any of fifty state courts, Canadian employees of a U.S. railroad can assert a cause of action that would not be available to them in their own country and would not be available to U.S. employees in this country. This result is in direct conflict with longstanding decisions of this Court, which have held that the RLA vests *exclusive* jurisdiction to resolve disputes involving interpretation of collective bargaining agreements--so called "minor" disputes[8]--in the NRAB or, should a railroad and

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[7]Other U.S.-based railroads have some portion of their operation in Canada and thus are likely to confront the situation that CSXT faces here. In addition, the two transcontinental Canadian railroads, Canadian National and Canadian Pacific, have operations in the U.S., either through the Canadian railroad, a U.S. subsidiary, or both. U.S. airlines, which, like railroads, are covered by the RLA, may also be affected by the *Rastall* decision to the extent they have foreign employees working in foreign countries.

[8]*See Elgin, J. & E. Ry. v. Burley*, 325 U.S. 711, 723 (1945) (distinguishing "major" disputes arising out of the formation or change of collective bargaining agreements, from "minor" disputes arising out of grievances or out

union so agree, in public law boards that serve as the functional equivalent of the NRAB. 45 U.S.C. § 153 First, Second. Neither federal nor state courts have jurisdiction to resolve such interpretative disputes. CSXT's collective bargaining agreements, which are federal contracts negotiated in accordance with the RLA, reflect the statutorily-required dispute resolution procedures and thus themselves also require that grievances be arbitrated. The failure of the court below to give effect to the federal policies embodied in the RLA and in the agreements raises substantial federal questions.

Even if the RLA did not preempt the court below from hearing Respondents' breach of contract action, a substantial federal question is nevertheless raised by the court's application of common law commercial contract principles to the interpretation of a collective bargaining agreement. The application of such principles is inconsistent with this Court's decisions recognizing that collective bargaining agreements differ from commercial contracts and are subject to distinct rules of interpretation.

The court of appeals' decision also raises a significant issue as to the application of the federal principle of comity to this dispute, which involves Canadian employees who perform work entirely in Canada. In the circumstances of this case, the court's failure to apply Canadian law in deciding the issue before it infringes on the legitimate national interests of Canada in its own internal labor policies.

The potential for disruption of the labor relations of U.S. carriers created by the decision of the court below is clear. If the decision is allowed to stand, the stability in labor relations and integrity of collective bargaining agreements that

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of the interpretation or application of such agreements); *Consolidated Rail Corp. v. RLEA*, 109 S.Ct. 2477, 2480 (1989); *Atchison, Topeka & S.F. Ry. v. Buell*, 480 U.S. 557, 562-563 (1987) (same).

arbitration provides will be lost, and employers will face the prospect of conflicting legal obligations when the resolution of a minor dispute with the union on behalf of a craft is different than the result of a lawsuit brought by foreign employee members of the same craft. Indeed, a conflict already exists between the NRAB, a federal agency, and the court below, over the proper forum for such disputes. Such consequences are contrary to the RLA and the national labor policy it reflects, and raise important issues warranting this Court's review.

I. Allowing Canadian Employees Of A U.S.-Based Railroad To Bring A Breach Of Contract Action In State Court To Resolve A Contract Interpretation Dispute Raises An Important Issue Of First Impression Regarding The Preemptive Effect Of The Minor Dispute Provisions Of The Railway Labor Act On Lawsuits Brought By Foreign Employees

A. The Decision Of The Court Below Is Inconsistent With This Court's Decisions Holding That The Railway Labor Act's Grant Of Exclusive Jurisdiction To The NRAB To Resolve Contract Interpretation Disputes Preempts State Court Jurisdiction Over Such Disputes

The holding of the court below that the RLA did not apply to CSXT's Canadian employees, and that as a result those employees, unlike U.S. employees, can litigate disputes over the interpretation of collective bargaining agreements in a common law breach of contract action in a local court, is irreconcilable with numerous decisions of this Court, which establish that state courts are without jurisdiction to interpret railroad collective bargaining agreements.

Congress, in Section 3, First of the RLA, 45 U.S.C. § 153 First, purposefully committed disputes over the interpretation or application of collective bargaining agreements to the

exclusive jurisdiction of arbitration panels, called adjustment boards, for binding arbitration. *See, e.g., Consolidated Rail Corp. v. Railway Labor Executives Ass'n*, 109 S.Ct. 2477, 2480 (1989)("*Conrail*")("The . . . adjustment board . . . has exclusive jurisdiction over minor disputes."). Congress placed exclusive jurisdiction over such contract interpretation disputes in arbitrators, because of the need for "a reliable and effective system for the settlement of grievances," *IAM v. Central Airlines, Inc.* 372 U.S. 682, 690 (1963), and arbitrators' expertise with railroad labor agreements and practices. *See, e.g., Conrail*, 109 S. Ct. at 2484 (arbitrators "are experts in 'the common law of [the] particular industry'"); *Gunther v. San Diego & Arizona Eastern Ry.*, 382 U.S. 257, 261 (1965)(adjustment board is "expert body" which "is peculiarly familiar with the . . . whole range of grievances that constantly exist in the railroad world" and "knows the industry's language, customs, and practices."). *Cf. United Steelworkers v. Warrior & Gulf Navigation Co.*, 363 U.S. 574, 582 (1960)(court cannot replicate labor arbitrator's expertise). Congress also viewed preemption of state law claims as necessary to obtain uniform interpretation of collective agreements.[9]

Given this statutory scheme, this Court has repeated time and again that neither federal nor state courts have any role

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[9]For example, the need for uniformity was explained by this Court in the context of § 301 of the Labor Management Relations Act, 29 U.S.C. § 185, in *Teamsters Union v. Lucas Flour Co.*, 369 U.S. 95, 103-104 (1962):

> The possibility that individual contract terms might have different meanings under state and federal law would inevitably exert a disruptive influence upon both the negotiation and administration of collective agreements. Because neither party could be certain of the rights which it had obtained or conceded, the process of negotiating an agreement would be made immeasurably more difficult by the necessity of trying to formulate contract provisions in such a way as to contain the same meaning under two or more systems of law which might someday be invoked in enforcing the contract.

in interpreting railroad collective bargaining agreements. *See, e.g., Union Pacific R.R. v. Sheehan*, 439 U.S. 89, 94 (1978)("Congress considered it essential to keep these so-called 'minor' disputes within the Adjustment Board and out of the courts."). *Accord Atchison, Topeka & S.F. Ry. v. Buell*, 480 U.S. 557, 562 n. 9 (1987); *Andrews v. Louisville & Nashville R.R.*, 406 U.S. 320 (1972); *Slocum v. Delaware, L. & W. R.R.*, 339 U.S. 239, 244 (1950)("This reasoning equally supports a denial of power in any court -- state as well as federal -- to invade the jurisdiction conferred on the Adjustment Board by the [RLA]."). To permit a state court to interpret a railroad collective bargaining agreement according to the many and varied principles applicable to state contract claims "would be fatal to the goals of the Act," especially "if a contractual provision contrary to the federal command were nevertheless enforced under state law . . . ." *Machinists*, 372 U.S. at 691. The enforcement of a railroad collective bargaining agreement is an area "within which the policy of the law is so dominated by the sweep of federal statutes that legal relations which they affect must be deemed governed by federal law having its source in those statutes, rather than by local law." *Machinists*, 372 U.S. at 693-694 n.17 (*quoting Sola Elec. Co. v. Jefferson Elec. Co.*, 317 U.S. 173, 176 (1942)).

The D.C. Court of Appeal's conclusion (A-5-6) that the RLA did not apply and that it was therefore free to interpret the collective bargaining agreement is contrary to these holdings by this Court and the entire scheme under the RLA for resolving contract grievances. These fundamental and longstanding principles are not nullified just because Respondents are foreign nationals. The labor contract that Respondents seek to enforce was negotiated and executed in the United States by a carrier and employee representative within the meaning of the RLA, 45 U.S.C. § 151 First and Sixth, and is enforceable in this country only pursuant to the RLA. By electing to pursue their claim in the United States,

Respondents can only assert that claim under the exclusive law governing railroad labor contracts in this country, the RLA.

The court of appeal's decision is also in direct conflict with the many awards of the NRAB and public law boards established under RLA Section 3 Second, which have exercised jurisdiction over contract interpretation disputes involving Canadian employees (SA-13-17, 19-129). For example, the NRAB, Third Division concluded in a 1961 award involving grievances by Canadian employees of a CSXT predecessor that it had jurisdiction over the dispute and its assumption of jurisdiction was not an extraterritorial application of the RLA. *Order of R.R. Telegraphers v. Chesapeake & O. Ry.*, NRAB, 3d Div., Award No. 12667 (1961)(SA-19-68).[10] The recent awards by the NRAB, First Division on the same dispute that was the subject of Respondents' Superior Court action are similarly in direct conflict with the court of appeals holdings that the RLA is inapplicable and their claims did not have to be arbitrated (SA-167-188). Unless this Court grants this petition, the conflict between adjustment boards and state courts will continue.

B. The Decision Of The Court Below Is Inconsistent With This Court's Decisions Holding That Railroad Collective Bargaining Agreements Are Federal Contracts Enforceable Only Under The RLA

The sole reason given by the D.C. Court of Appeals for finding that the RLA did not preempt Respondents' lawsuit was that to apply the RLA to Canadian employees would constitute extraterritorial application of the statute (A-5-6). There was, however, no extraterritorial application of the RLA on the facts of this case, because the RLA applied by virtue

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[10]Ten other awards by adjustment boards exercising jurisdiction over such grievances were submitted by CSXT to the Superior Court as evidence of the past practice of handling Canadian employee grievances. (SA-69-129.)

of Respondents' tactical election to press their claim in the United States, where the RLA totally occupies the field with respect to disputes arising from a railroad collective agreement.

Even if the RLA minor dispute procedures did not apply to Respondents' grievance as a matter of statute, the RLA grievance procedures, including binding arbitration of unsettled grievances, were made applicable to grievances by Canadian employees as a matter of contract. Such contractual adoption and extension of RLA procedures to Canadian employees does not result in the extraterritorial application of the statute, because their extension is by voluntary agreement of CSXT and the union, not by statute. The question whether the grievance procedures in the Carmen-CSXT agreement, as a matter of contract, applied to Canadian grievances, was itself a minor dispute, which this Court's precedents required to be arbitrated. That is because this question involved interpretation of an alleged agreement between an RLA carrier and RLA union contained in a federal contract, *i.e.*, a railroad collective bargaining agreement.

The Respondents conceded that the "contract" upon which they based their claim was a collective bargaining agreement between their union, the Carmen, and CSXT (SA-2). The court of appeals' analysis of their claim ignored the precedents of this Court that such a railroad "collective bargaining agreement is not an ordinary contract for the purchase of goods and services, nor is it governed by the same old common-law concepts which control such private contracts." *Transportation-Communications Employees Union v. Union Pacific R.R.*, 385 U.S. 157, 160-61 (1966). A railroad collective bargaining agreement is a "federal" contract that has no existence separate and apart from the RLA, and is enforceable

only through the RLA's procedures.[11] Under this Court's test for a minor dispute, if CSXT's interpretation of the grievance provision as well as the past practices of handling grievances was "arguably justified," the dispute with Respondents over the interpretation of this grievance provision was within the exclusive jurisdiction of an arbitrator. *Conrail*, 109 S.Ct. at 2484. Here, it cannot be said that CSXT's interpretation was not at least arguably justified. The language of the grievance provision does not expressly provide for court litigation as an alternative to arbitration of contractual grievances (SA-148-149). In addition, CSXT's explanation of the phrase "any other lawful action for the settlement of claims or grievances" to refer to claims arising under statutes[12] rather than the collective bargaining agreement was plausible, as even the Respondent's Canadian law expert admitted (SA-15). And, it was undisputed that the longstanding and consistent past practice under the grievance provision for more than 40 years was to arbitrate all grievances, whether affecting Canadian or U.S. employees (SA-13-17, 19-129). This past practice could arguably become an implied term of the collective bargaining agreement, as this Court recognized in *Conrail*, 109 S.Ct. at 2485 ("it is well established that the parties' 'practice, usage and custom' is of significance in interpreting their agreement.").

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[11]*See, e.g., Machinists*, 372 U.S. at 695 ("The contracts and the adjustment boards for which they provide are creations of federal law and bound to the statute and its policy."); *accord Andrews v. Louisville & Nashville R.R.*, 406 U.S. 320, 323 (1972); *Detroit & Toledo Shore Line R.R. v. United Transp. Union*, 396 U.S. 142, 156 (1969).

[12]For example, in *Atchison, Topeka & S.F. Ry. v. Buell*, 480 U.S. 557, 568 (1987), this Court confirmed that railroad employees have an independent statutory right to bring an action for workplace injuries under the Federal Employers' Liability Act, 45 U.S.C. § 51 *et seq.*, even though some injuries might likewise be the subject of grievances under the RLA. Employees would also have an independent statutory right to bring claims arising under the Age Discrimination in Employment Act, 29 U.S.C. § 621, *et seq.*, even though the same claims might be the subject of grievances.

The court of appeals did not apply this Court's minor dispute analysis. Instead, contrary to all precedent, it proceeded to interpret the grievance provision itself and resolve conflicting interpretations of that contractual provision in favor of Respondents (A-16-18). This action by the Court was an extraordinary usurpation of the exclusive jurisdiction of the arbitrator and cannot be countenanced under this Court's decisions.

The cases cited by the court to support its conclusion that preemption of state court actions would constitute extra-territorial application of the RLA do not justify its extraordinary result (A-6). With one exception, none of those decisions dealt with the interpretation of a collective bargaining agreement. They involved the issue whether representational disputes concerning foreign employees were subject to the RLA's procedures.[13] In the one other decision, *General Committee of Adjustment v. Burlington Northern, Inc.*, 620 F.2d 161 (8th Cir.), *cert. denied*, 449 U.S. 826 (1980), the question was whether the RLA's minor dispute procedures extended to grievances by Canadian employees as a matter of statute. There was, however, no issue whether the carrier and union, by agreement, could apply the same procedures to all grievances. *See General Committee of Adjustment v. Burlington Northern, Inc.*, 563 F.2d 1279, 1286 (8th Cir. 1977)(leaving open question whether parties by agreement may voluntarily confer jurisdiction on Public Law Board).

II. Interpretation By A Court Of A Collective Bargaining Agreement According To The Common Law Of Commercial Contracts Conflicts With U.S. Labor Policy

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[13]*See Air Line Stewards & Stewardesses Ass'n v. Trans World Airlines, Inc.*, 273 F.2d 69 (2d Cir. 1959); *Air Line Dispatchers Ass'n, v. National Mediation Board*, 189 F.2d 685 (D.C. Cir. 1951); *Air Line Stewards & Stewardesses Ass'n v. Northwest Airlines, Inc.*, 267 F.2d 170 (1959), *cert. denied*, 361 U.S. 901 (1959).

Even if state courts have jurisdiction to interpret railroad collective bargaining agreements, U.S. labor policy requires that any such interpretation be rendered in accordance with federal principles established for the interpretation of labor contracts, not the often significantly different standards that apply to the interpretation of commercial contracts.[14] There are simply no state principles governing the interpretation of private sector collective bargaining agreements. That sphere has been completely preempted by federal law, either the RLA or the Labor Management Relations Act. Given that CSXT and the Carmen's union negotiated the collective agreements at issue with specific reference to the RLA and against the background of national labor policy favoring arbitration,[15] the conclusion of the court below (A-15) that the contract "unambiguously" authorized Respondents to bypass arbitration was contrary to the federal common law of labor.

For all these reasons, where a labor contract contains an arbitration clause, there is a presumption of arbitrability and "[a]n order to arbitrate the particular grievance should not be denied unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute. Doubts should be resolved in

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[14]The different results yielded by application of commercial contract principles and by the "common law" of collective bargaining agreements are extensively treated in Summers, *Collective Agreement and the Law of Contracts*, 78 Yale L.J. 525 (1969). *See Steelworkers*, 363 U.S. at 581-82.

[15]This Court has frequently recognized that provision for the arbitration of contract disputes is at the heart of federal labor policy. *See Consolidated Rail Corp. v. RLEA*, 109 S.Ct. 2477, 2483 (1989); *Lingle v. Norge Div. of Magic Chef, Inc.*, 108 S.Ct. 1877, 1884 (1988); *Andrews*, 406 U.S. at 323; *Machinists; Gunther v. San Diego & Arizona Eastern Ry.*, 382 U.S. 257, 261-62 (1965); *United Steelworkers*, 363 U.S. at 581. Indeed, as shown, *supra* pp. 10-13, under the RLA, arbitration of disputes concerning contract interpretation is mandatory.

favor of coverage." *Steelworkers*, 363 U.S. at 582-583. *Accord AT&T Technologies, Inc. v. Communications Workers of America*, 475 U.S. 643, 650 (1986). Certainly, the parties' specific references in their contract to the RLA's mandatory arbitration provisions and the past practice of always arbitrating grievances,[16] at the very least, created doubt as to whether any other avenue for resolving contract interpretation disputes was intended. Even Respondents' own expert, Dean Rayner, admitted (SA-137) that the grievance provisions could be "interpreted in three ways," including that advanced by CSXT, under which the phrase "any other lawful action" was intended as "merely preserving rights of action that would exist apart from the collective agreement." Given the undisputed past practices and Respondents' admission, the court of appeals could not on any basis consistent with this Court's pronouncements conclude with "positive assurance" that the contract did not contemplate arbitration of all contractually-based grievances. The D.C. Court of Appeals ignored these federal labor law principles by failing to apply a similar presumption of arbitrability to the dispute presented in this case. And it is apparent that the court, by relying on commercial contract principles of construction, reached an interpretation of the collective bargaining agreement that an arbitrator could not have reached applying the "common law of the industry." The court's decision thus warrants review by this Court.

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[16]There is no dispute that CSXT and the Carmen negotiated the contract's dispute resolution provision with specific reference to the RLA. Thus, Rule 32 provides for resolution of grievances "before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto provided in Section 3 Second of the Railway Labor Act." (SA-149). Moreover, Rule 70 provided that the collective bargaining agreement "shall continue in effect unless and until changed in the manner prescribed by the Railway Labor Act, as amended." (SA 151).

III. The Decision Of The Court Below Raises An Important Question Regarding The Application Of The Federal Principle Of Comity To This Labor Dispute Involving Canadian Employees Working In Canada

Even if the RLA did not preempt the jurisdiction of the D.C. courts to hear this case, the federal principle of comity required that the courts below apply the law of Canada in resolving Respondents' contract claims. The principle of comity reflects

> the recognition which one nation allows within its territory to the legislative, executive or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens or of other persons who are under the protection of its laws.

Hilton v. Guyot, 159 U.S. 113, 164 (1895).[17] By looking to the commercial contract standards embodied in local common law to interpret the dispute resolution provisions of the collective bargaining agreement at issue,[18] the court of appeals failed to

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[17]The extent to which comity should be accorded to another country's laws is inherently a federal question as a result of its impact on international relations, an arena in which federal power has supremacy. *Cf. Hines v. Davidowitz*, 312 U.S. 52, 62-63 (1951) ("[F]ederal power in the field affecting foreign relations [must] be left entirely free from local interference."); *Laker Airways Ltd. v. Sabena, Belgian World Airways*, 731 F.2d 909, 937 (D.C. Cir. 1984) ("[C]omity compels national courts to act at all times to increase the international legal ties that advance the rule of law within and among nations."). This Court would have original jurisdiction of this controversy under Article III, Section 2 of the Constitution, because it is a case between a citizen of a State and foreign citizens.

[18]The court supported its reliance on what it considered to be the lack of facial ambiguity in the agreement's grievance provision with cases involving commercial contracts. *1010 Potomac Assoc. v. Grocery Mfrs. of Am.*, 485 A.2d 199 (D.C. 1984); *E.P. Hinkel & Co. v. The Manhattan Co.*, 506 F.2d 201

accord any deference at all to the legitimate interests that Canada has in this dispute, which involves Canadian citizens who work entirely in Canada. The decision thus presents an important question regarding the application of the principle of comity in these circumstances.

The court below violated the principle of comity in two ways. First, due regard for Canada's interest in the application of its own labor policies and laws to its own citizens working within its borders required that the D.C. court refuse to exercise its jurisdiction and instead direct the Respondents to a Canadian forum for a resolution of their claims. The District of Columbia's courts are accessible to Respondents only because CSXT happens to have a few miles of track within its boundaries. The District of Columbia has no contact with any of CSXT's Canadian employees and its laws and policies are unaffected by this dispute. The District of Columbia thus has no interest in this dispute sufficient to outweigh that of Canada. In these circumstances, comity required not just that the law of Canada be applied to determine the meaning of the contract provisions at issue, but also that Canadian courts, arbitrators, or labor boards, rather than the D.C. courts, make that determination.

Second, comity required that the court of appeals apply Canadian law in interpreting the collective bargaining agreements to determine whether they required CSXT's Canadian employees to resolve contract disputes through arbitration rather than through the courts. Although the court acknowledged (A-15) that "[a] collective bargaining agreement is more than a contract; it is a generalized code to govern a myriad of cases which the draftsmen cannot wholly anticipate," it nevertheless applied (A-15-16) commercial contract interpretation principles in concluding that the agreement

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(D.C. Cir. 1974).

"unambiguously" permitted breach of contract claims as an alternative to arbitration. The court's analysis violated the principle of comity by failing to take into account the principles of contract interpretation that would apply under Canadian law.

Section 155 of the Canada Labour Code requires inclusion of a provision for binding dispute resolution "by arbitration or otherwise" in every collective bargaining agreement (A-7).[19] Arbitration of contract interpretation questions is thus statutorily mandated, unless the collective bargaining agreement expressly provides for an alternative peaceful mechanism for resolving such disputes.[20] Proper accommodation of the

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[19]As the Supreme Court of Canada explained in *St. Anne Nackawic Pulp & Paper Co. v. Canadian Paperworkers' Union*, [1986] 1 S.C.R. 704, 721, arbitration "is clearly the forum preferred by the legislature for resolution of disputes arising under collective agreements." *Accord Bourne v. Otis Elevator Co.*, [1984] 45 O.R. (2d) 321, 325 (H.C.J.); *McGavin Toastmaster Ltd. v. Ainscough*, [1976] 1 S.C.R. 718, 725-26; *Lawn v. Algonquin College of Applied Arts Technology*, [1982] 390 O.R. (2d) 377, 384 (H.C.J.). The reasons for this legislative preference in Canada are identical to the reasons why arbitration is preferred in the United States: stability, uniformity of result, and the need for an expert decision-maker. *See Bartello v. Canada Post Corp.*, [1987] 18 C.C.E.L. 26, 48-50 (H.C.J.). As stated in Carrothers, Palmer and Rayner, *Collective Bargaining Law in Canada* 481 (2d ed. 1986), a treatise co-authored by Respondents' Canadian law expert, "arbitration is virtually pre-emptive of civil processes." *See also* Arthurs, Carter and Glasbeek, *Labour Law and Industrial Relations in Canada*, ¶¶ 725-726, 811 (2d ed. 1984).

[20]The court below ruled (A-7-9) that the provision in the Canada Labour Code requiring that disputes be resolved "by arbitration *or otherwise*" indicated that the statute permitted the parties by agreement to provide for resort to the courts in lieu of arbitration, and cited *dicta* from one Canadian court that seemed to agree. *St. Anne Nackawic Pulp & Paper Co. v. Canadian Paper Workers' Union*, 1 S.C.R. at 723. However, the Canadian courts have uniformly held that collective bargaining agreements by their nature are not common law contracts and thus are not enforceable at common law. *See* C.H. Curtis, *The Development And Enforcement Of The Collective Agreement* at 25-69 (1966). The Labour Code did not purport to create any new right of court action, and thus the reference to arbitration "or otherwise" can only

Canadian preference for arbitration required that the court of appeals take into account this preference for arbitration and interpret the agreement to require arbitration if it did not expressly require that another method of dispute resolution be used. This presumption is so strong that Respondents were unable to offer a single Canadian precedent where employees covered by a collective agreement were permitted to bring a breach of contract action in a Canadian court. As discussed, *supra*, Respondents' own Canadian law expert, Dean Rayner, admitted that the contract's dispute resolution provision was susceptible to three interpretations, including one that would require arbitration (SA-137). Given this ambiguity, comity required that any doubts should have been resolved in favor of arbitration, as they are under the similar presumption of arbitrability in the United States. *See AT&T Technologies, Inc. v. Communications Workers of America*, 475 U.S. 643, 650 (1986).

Moreover, Canadian courts recognize that specialized interpretative principles, rather than common law contract principles of construction, apply to collective bargaining agreements. *See Bartello v. Canada Post Corp.*, [1987] 18 C.C.E.L. 26, 48-50 (H.C.J.). Even if the preference for arbitration in the Canada Labour Code were not alone enough to require that the provision at issue here be interpreted to require that all disputes be arbitrated, at the very least it creates ambiguity as to the provision's meaning. Under the principles applied in Canada to the interpretation of collective bargaining agreements, the past practices of the parties can be used to resolve such ambiguities.[21] Here, the past practice has been, without exception, that the grievances of CSXT's

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have had reference to other administrative remedies, not to any right to go to court.

[21]*See Brown & Beatty, Canadian Labour Arbitration* § 3:4430 (Release No. 4) (3d ed. 1990).

Canadian employees are resolved through the NRAB or another adjustment board, not through the courts (SA-13-17, 19-129).

Canadian law also recognizes the use of equitable estoppel in the interpretation of collective bargaining agreements. Under this doctrine, a longtime practice of one of the parties to a collective agreement, acquiesced in by the other party, may in effect become part of their agreement.[22] As noted above, the longtime practice of CSXT and its unions has been to resolve the grievances of Canadian employees through the NRAB; under the doctrine of equitable estoppel that practice is now part of the parties' agreement.

The court below ignored both of these principles in concluding that the grievance provisions of the contracts at issue unambiguously permitted resort to the courts rather than arbitration, and in so doing violated the requirements of comity. Because this issue can be expected to recur as CSXT's Canadian employees and the foreign employees of other U.S. railroads and airlines attempt to take advantage of the D.C. court's ruling, the ruling raises an important question warranting this Court's review.

IV. The Decision Of The Court Below Will Have Important Consequences For Labor Relations In The Railroad Industry

As noted above, the motivation behind the congressional mandate that minor disputes be subject to the exclusive jurisdiction of the NRAB was an overriding concern, born out of experience, that the resolution of such disputes not be subject to the vagaries and varieties of state court proceedings. *See Lucas Flour*, 369 U.S. at 103-104. There can be no

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[22] *id.* § 2:2200.

dispute that the decision of the court of appeals gives rise to the very impediments to the collective bargaining process described in *Lucas Flour* and contemplated by Congress when it excluded the courts from any role in the resolution of minor disputes in the railroad industry. It requires no stretch of credulity to imagine a situation in which, if the decision of the court below is permitted to stand, a railroad finds itself subject to conflicting obligations toward its foreign and U.S employees as a result of a decision by the NRAB denying the contract claims asserted by the foreign employees' union on behalf of the craft of which they are members, and a contrary decision by some state court to which the individual foreign employees have taken their identical breach of contract claims. Indeed, here, the NRAB has already ruled against Canadian employees in two crafts on the currency issue (SA-167-188). Under the RLA, their exclusive remedy is provided in 45 U.S.C. § 153, First(q), which allows limited review of NRAB awards. However, "[a] party who has litigated an issue before the Adjustment Board on the merits may not relitigate that issue in an independent judicial proceeding." *Andrews v. Louisville & Nashville R.R.*, 406 U.S. at 325. Yet, that is exactly what the Respondents are trying to do by maintaining the same issue in Superior Court.

Moreover, railroads will no longer be able to look to their employees' unions as the sole representative with which it must deal in resolving grievances, since until the applicable state statute of limitations has run on potential breach of contract claims an employer can never be sure that any agreement with the union will be binding on all employees.[23] Furthermore, this court action is not an isolated incident involving these

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[23]*Cf. Humphrey v. Moore*, 375 U.S. 335, 358-59 (1964)(Goldberg, J., concurring)(recognizing that employers and unions have legitimate interest in ensuring that "conceptions of vested contractual rights" not be applied "so as to hinder the employer and the union in their joint endeavor to adapt the collective bargaining relationship to the exigencies of economic life").

Canadian employees. These same employees, represented by the same U.S. counsel, also tried to maintain a breach of contract action against CSXT, based on a dispute over railroad retirement, in *Vollmar v. CSX Transportation, Inc.*, 705 F. Supp. 1154 (E.D. Va. 1989), *aff'd on other grounds*, 898 F.2d 413 (4th Cir. 1990). Although frustrated there, if the court of appeals decision is allowed to stand, state or federal (on a diversity basis) courts may be flooded with grievances by Canadian employees which otherwise would have been arbitrated.

The significant interference that will result from the court of appeals' decision is not limited to CSXT. Every railroad and airline that has any international operations and employs foreign nationals in foreign countries faces this same risk. The issues raised by the decision are thus of substantial importance and application, and therefore warrant this Court's review.

CONCLUSION

For the foregoing reasons, CSXT respectfully requests that a writ of certiorari be issued to the District of Columbia Court of Appeals.

Respectfully submitted,

Nicholas S. Yovanovic
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, Florida 32202
(904) 359-1244

H. Russell Smouse
Jack L.B. Gohn
Whiteford, Taylor & Preston
Suite 1400
Seven St. Paul Street
Baltimore, MD 21202
(301) 347-8700

Ronald M. Johnson
Counsel of Record
Charles L. Warren
Victoria A. Higman
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 887-4114

Attorneys for Petitioner
CSX TRANSPORTATION, INC.

December 20, 1990

STEPHEN RASTALL, et al.,
Appellants,
v.

CSX TRANSPORTATION, INC.,
Appellee.

No. 89-261

District of Columbia Court of Appeals.

Argued Feb. 14, 1990.
Decided May 8, 1990.

Before ROGERS, Chief Judge, and FERREN and FARRELL, Associate Judges.

FARRELL, Associate Judge:

This is an appeal from an order of the Superior Court granting summary judgment in favor of appellee, defendant below, CSX Transportation, Inc. (CSXT).[1] The action was brought by appellants Stephen Rastall and Timothy Gowdey, Canadian employees of CSXT, on behalf of themselves and all past, present and future Canadian employees,[2] and alleged

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[1]CSXT is a railroad company incorporated in Virginia. It operates 20,000 miles of track in the United States and 200 in the Canadian province of Ontario. CSXT employs approximately 34,000 people, 200 of whom are Canadian citizens who work entirely in Canada.

[2]For simplicity, appellants will be referred to collectively as "the employees."

a breach of provisions of a collective bargaining agreement between the company and its Canadian employees whereby CSXT purportedly had agreed to pay the wages, pensions and other benefits of the employees in United States dollars.[3]

Shortly after the complaint was filed, CSXT removed the case to the United States District Court for the District of Columbia asserting federal question jurisdiction, 28 U.S.C. § 1331 (1982),[4] on the grounds that either the Railway Labor Act (RLA), 45 U.S.C. §§ 151-88 (1982), or the Labor Management Relations Act (LMRA), 29 U.S.C. §§ 185 *et seq.*, applied to the dispute and required the parties to submit disputes such as this one to arbitration.[5] The district court, however, remanded the case to the Superior Court after concluding that neither the RLA nor the LMRA has extraterritorial effect so as to apply to CSXT's Canadian employees. *Rastall v. CSX Corp., supra* note 4, 696 F. Supp. at 684-85.

CSXT renewed its motion to dismiss in the Superior Court, again asserting that arbitration of this dispute is mandated by either the RLA or the LMRA, thus depriving the courts of jurisdiction to rule on the breach of contract

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[3]Jurisdiction was founded upon the fact that CSXT owns tracks and operates trains in the District of Columbia.

[4]CSXT also sought to invoke the district court's diversity jurisdiction under 28 U.S.C. § 1332 (1982). Since many of the class members' claims were for less than $10,000, however, and since such claims cannot be aggregated for diversity purposes, diversity jurisdiction was lacking. *See Rastall v. CSX Corp.*, 696 F.Supp. 683, 684 (D.D.C. 1988).

[5]At the same time, CSXT filed a motion to dismiss with the district court arguing that the RLA, the LMRA, and the collective bargaining agreement itself mandated arbitration as the exclusive remedy in this type of dispute.

claim.[6] CSXT also contended that if United States labor law did not apply to Canadian employees, then the Canadian Labour Code applied and similarly required arbitration. The trial court declined to rule on the application of federal or Canadian law to the dispute, but instead concluded that the dispute resolution provisions of the labor contracts themselves required the parties to submit to binding arbitration. He therefore granted CSXT's motion for summary judgment.[7]

On appeal, the employees contend that the trial court erred in failing to heed the plain language of the collective bargaining agreements which, they assert, expressly gives Canadian employees the choice of submitting their grievances to arbitration or bringing an action in court. CSXT, on the other hand, while defending the trial court's contract interpretation, urges that the court lacked jurisdiction to rule on the matter to begin with because the RLA deprives the courts of jurisdiction over "minor disputes" such as this one in favor of mandatory arbitration. In the alternative, CSXT contends that either the LMRA, federal common labor law, or the Canadian Labour Code applies to the present dispute and equally compels arbitration.

For the reasons set forth below, we reverse the grant of summary judgment in CSXT's favor and remand the case for further proceedings.

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[6]The employees do not contend that the district court's ruling on the application of the RLA and LMRA became law of the case or otherwise barred CSXT from relitigating the issue in Superior Court. *See* 28 U.S.C. § 1447(d)(order remanding case to state court from which it was removed not appealable).

[7]CSXT had filed a motion to dismiss the complaint which the trial court treated as a motion for summary judgment pursuant to Super.Ct.Civ.R. 12(b)(6)(1989).

I.

Before dealing with the interpretation of the dispute resolution provisions, we must address CSXT's argument that the Superior Court lacked jurisdiction to reach the contractual issues. Any such action, it contends, is preempted by the requirement of arbitration imposed by the RLA, the LMRA, or Canadian labor law. We are unpersuaded.

With regard to the RLA, we agree with United States District Judge Gesell that it does not apply to foreign employees performing services entirely outside the United States. 696 F. Supp. at 684. Indeed, the United States Court of Appeals for the District of Columbia Circuit expressly so held in *Air Line Dispatchers Ass'n v. National Mediation Bd.*, 89 U.S. App.D.C. 24, 29, 189 F.2d 685, 690 (1951), a holding that would appear to bind us. *See M.A.P. v. Ryan*, 285 A.2d 310, 312 (D.C. 1979). Even if we were not bound by *Air Line Dispatchers*, our own reading of the statute is in accord with its holding.[8] We are confirmed in that reading by the

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[8]The court in *Air Line Dispatchers* reasoned that the RLA defines "employee" as "every person in the service of a carrier . . . who performs any work defined as that of an employee . . . in the orders of the Interstate Commerce Commission. . . ." 45 U.S.C. § 151, Fifth (1982). Since the jurisdiction of the Interstate Commerce Commission (ICC) is limited to transportation that is "in the United States," 49 U.S.C. § 10501(a)(2)(1982), the RLA has no extraterritorial effect. 89 U.S.App.D.C. at 29, 189 F.2d at 690.

We reject CSXT's argument that this interpretation of the "in the United States" language in defining the ICC's jurisdiction has been undermined by a footnote in *Trailer Marine Transp. Corp. v. Federal Maritime Comm'n.*, 195 U.S.App.D.C. 201, 211 n. 46, 602 F.2d 379, 389 n. 46 (1979). That case (which was decided post-*M.A.P. v. Ryan*) involved an interagency dispute between the ICC and the Federal Maritime Commission over jurisdiction to regulate rates on "joint through" routes between ports in the United

consistent body of federal law elsewhere holding that the RLA has no extraterritorial effect. *See Air Line Stewards & Stewardesses Ass'n v. Northwest Airlines*, 267 F.2d 170, 175 (8th Cir.), *cert. denied*, 361 U.S. 901, 80 S.Ct. 208, 4 L.Ed.2d 156 (1959); *Vollmar v. CSX Transp., Inc., supra* note 8, 705 F. Supp. at 1164-65; *General Comm. on Adjustment v. United States*, 102 L.R.R.M. 2869, 2871, 1979 WL 1862 (D. Minn. 1979), *aff'd*, 620 F.2d 161 (8th Cir.), *cert. denied*, 449 U.S. 826, 101 S.Ct. 88, 66 L.Ed.2d 29 (1980); *Air Line Stewards & Stewardesses Ass'n v. Transworld Airlines*, 173 F. Supp. 369, 374-78 (S.D.N.Y.), *aff'd*, 273 F.2d 69 (2d Cir. 1959), *cert. denied*, 362 U.S. 988, 80 S.Ct. 1075, 4 L.Ed.2d 1021 (1960).

With regard to the LMRA, its application to foreign employees is doubtful, *Windward Shipping Ltd. v. American Radio Ass'n*, 415 U.S. 104, 110, 94 S.Ct. 959, 963, 39 L.Ed.2d 195 (1974); *Benz v. Campania Naviera Hidalgo*, 353 U.S. 138, 144, 77 S.Ct. 699, 702, 1 L.Ed.2d 709 (1957). We need not stop to consider that issue, however, because even if applicable in the present context, the LMRA contains no language requiring arbitration in the face of an agreement providing

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States and Puerto Rico. Such routes are defined as "through movement of cargo from a point of origin on the line of one carrier to a point of destination on the line of the other." *Id.* at 203 n. 1, 602 F.2d at 381 n. 1 (citation omitted). The court construed the Interstate Commerce Act as "conferring plenary jurisdiction on the ICC over both the rail and water segments of Puerto Rico-to-inland United States joint through trade." *Id.* at 208, 602 F.2d at 386. The footnote relied on by CSXT (note 46) merely pointed out that the ICC has been held to have jurisdiction over domestic carriers participating in joint through trade passing overland between the United States and adjacent countries. Recognition of that jurisdiction does not conflict with the basic territorial limitation on the ICC's jurisdiction over transportation solely in another country, or with the *Air Line Dispatchers* decision construing the RLA. *See Vollmar v. CSX Transp. Inc.*, 705 F.Supp. 1154, 1164-65 n. 31 (E.D.Va.1989).

otherwise, nor does CSXT so contend. It merely asserts that, "[u]nder the LMRA, the Appellants would certainly be required to arbitrate *under any agreement which called for arbitration* . . . ." Since, as we demonstrate later, the present agreement does not require Canadian employees to submit their disputes to arbitration, the argument that arbitration is mandated by the LMRA is without merit.[9]

Lastly, we reject CSXT's argument that the Canadian Labour Code, R.S.C. 1970, c. L-1, requires the parties to submit to binding arbitration. It is unnecessary to consider the employees' contention that, under choice of law principles, it is not Canadian law but the law of Maryland, Michigan, and the District of Columbia that governs whether this dispute was required to be arbitrated. Assuming *arguendo* that Canadian law applies, it too does not require arbitration in the face of an agreement providing otherwise.

Section 155(l) of the Canadian Labour Code provides:

> Every collective agreement shall contain a provision for final settlement without stoppage of work, by arbitration *or otherwise*, of all differences between the parties to or employees

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[9]We also reject the argument that federal common labor law would require arbitration of the present dispute. To the extent Congress has seen fit to exclude foreign workers from the reach of federal labor laws, courts may not properly alter that policy through application of federal common law. *See Textile Workers of America v. Lincoln Mills of Alabama*, 353 U.S. 448, 456, 77 S.Ct. 912, 917, 1 L.Ed.2d 972 (1956)(federal common labor law "is fashioned from the policy of our national labor laws"). In any event, CSXT cites nothing in the "policies of federal law" requiring arbitration of a contract dispute where, as we conclude here, the pertinent agreements specifically permit the employees to bypass arbitration.

> bound by the collective agreement, concerning its interpretation, application, administration or alleged violation. [Emphasis added.]

In *St. Anne Nackawic Pulp & Paper Co. Ltd. v. Canadian Paper Workers Union Local 219*, [1986] S.C.R. 704, 723, the Canadian Supreme Court, interpreting the identical phrase in section 55(1) of the New Brunswick Labour Relations Act, N.B. REV.STAT.1973, c. 1-4, stated:

> What the statute does is to establish a preference for arbitration of a particular sort over other means of dispute settlement, by establishing a procedure to be followed where the parties do not expressly provide for any other method of resolving their differences. Where the parties [have chosen otherwise], however, the New Brunswick Act, in common with most of the other Canadian labour relations statutes, does not actually require the parties to resort to arbitration. It requires a provision in the collective bargaining agreement for "final and binding settlement by arbitration *or otherwise*, without stoppage of work". The emphasized words indicate that, if they so choose, the parties may validly provide for a variety of other sorts of settlement mechanisms, including recourse to the courts. [Emphasis in original.]

As this language makes clear, Canadian labor law expresses a preference for arbitration but does not mandate it where the collective bargaining agreement negotiated by the parties specifically permits an alternative form of dispute resolution, including recourse to the courts.[10]

II.

A.

We thus turn to the question of whether appellants are contractually bound to arbitrate the present dispute. At issue are twelve collective bargaining agreements governing relations between the Canadian employees and CSXT, which became effective around 1955. The crafts represented in the dispute include the Carmen, Clerks, Dispatchers, Locomotive Engineers, Locomotive Firemen, Oilers, Mechanical Employees, Maintenance of Way Employees, Signalmen, Supervisors, Trainmen and Yardmen. The bargaining agreements contain two types of dispute resolution provisions. The most common, found in seven of the agreements, is exemplified by Rule 32 of the agreement with the

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[10]Although CSXT cites to Canadian decisions that required arbitration of particular labor disputes, such as *Brunet v. General Motors of Canada*, [1977] 2 S.C.R. 537, *Bartello v. Canada Post Corp.*, [1987] C.C.E.L. 26 (Ont.H.C.), *Bourne v. Otis Elevator Co.*, [1984] 45 O.R.(2d) 321 (Ont.H.C.), and *Close v. Globe & Mail Ltd.*, [1966] 60 D.L.R.(2d) 105, 1 O.R. 235 (Ct.App.), many of the cases involve interpretations of provincial labor codes with language different from the applicable provision in the Canadian Labour Code. In Ontario, for example, where many of these cases were decided, the Labour Relations Act, ONT.REV.STAT.1980, c. 228, does not contain the "or otherwise" language of the national code. The cases cited are also distinguishable in that the collective bargaining agreements at issue there either required arbitration of disputes or were silent on the question of how a particular dispute should be resolved.

Brotherhood of Railway Carmen. Rule 32(1)(c) provides, in relevant part:

> All claims or grievances involved in a decision by the highest designated officer shall be barred unless within 9 months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto provided in Section 3 Second of the Railway Labor Act.

Rule 32(4), however, provides:

> This Rule is not intended to deny the right of the employees to use *any other lawful action* for the settlement of claims or grievances provided such action is *instituted* within 9 months of the date of the decision of the highest designated officer of the Carrier. [Emphasis added.]

The other five agreements contain language exemplified by Rule 98(c) of the agreement with Brotherhood of Locomotive Engineers, which provides in part:

> Decisions by the highest officer designated to handle claims and grievances shall be final and binding

> unless within sixty days after written notice of the decision of said officer he is notified in writing that his decision is not accepted. All claims or grievances involved in a decision of the highest officer shall be barred unless within six months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative *before a tribunal having jurisdiction pursuant to law* or agreement of the claim or grievance involved. [Emphasis added.]

In his order granting summary judgment,[11] Judge Weisberg concluded that "[t]hese contracts are not ambiguous. Plaintiffs are required to arbitrate this minor dispute . . . because the collective bargaining agreements between their unions and the company require arbitration." In reaching this conclusion, the judge was unpersuaded by the agreements' reservation to the employees of the right to institute "any other lawful action . . . within 9 months" (Carmen's agreement) or "proceedings . . . before a tribunal having jurisdiction pursuant to law" (Engineers' agreement). He reasoned:

> To accept plaintiffs' position, the court would have to find that these parties bargained for a dispute resolution

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[11]Judge Weisberg actually issued two orders. In the first, filed on January 11, 1989, he expressed his inclination to grant summary judgment in favor of CSXT but allowed the employees an opportunity to present any materials relevant to the question whether the contracts required arbitration. On March 1, 1989, concluding that the employees had not presented any new materials identifying a genuine issue of material fact, the judge entered summary judgment in favor of CSXT.

> process in which the Railroad's 32,000 American employees, who are covered by the Railway Labor Act, are forced to arbitrate contract disputes such as this, but its 200 Canadian employees can either arbitrate or go to court, whichever they prefer. If the parties expressly wrote such an unusual dichotomy into their contract, they would of course be held to the benefits and burdens of their agreement, and the court would be obligated to uphold it; but the language relied on by plaintiffs, which differs from agreement to agreement, certainly does not compel that result.

The court made the same point later:

> [I]t is implausible, to say the least, that these unions could have bargained with the Railroad for a dispute resolution provision that would require the Railroad's 32,000 American employees to submit minor disputes such as this one to final and binding arbitration, but would permit the 200 Canadian employees to bypass arbitration and opt for court litigation. Moreover, even if the unions would have had some unknown reason for favoring a tiny minority of their members over the majority, it is hard to imagine why the Railroad would have agreed to such a system. Where,

> as here, plaintiffs' interpretation of those contracts ignores the realities of the marketplace of collective bargaining and goes against the Railway Labor Act and the strong policy favoring arbitration embedded in both American and Canadian labor law, it is not unreasonable for the court to demand some evidence in the contract itself or in the circumstances surrounding the making of the contract that this interpretation was intended by the contracting parties. Plaintiffs have offered nothing, except to argue that the right of the Canadian employees to bypass arbitration is hidden in the folds of the contracts in language which, in context, can not mean what they say it means.

The court concluded:

> To create a right to litigate this dispute in court out of the obscure language relied on by plaintiffs would amount to nothing less than rewriting the contracts, when the agreements themselves say, in language that could not be much clearer, that arbitration is the exclusive method for resolving disputes arising under the contracts.

B.

There is no dispute that the RLA applies to American employees of CSXT and to CSXT itself,[12] and requires that "minor disputes,"[13] such as the one involved in this case, be resolved through arbitration. It is also true, as the trial court remarked, that the employees can point to nothing in the negotiations surrounding these agreements confirming an intent to treat the Canadian employees differently from their American counterparts. There is simply no history one way or the other.[14] We can further agree with the trial court and

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[12]*See* 45 U.S.C. § 151, First, Fifth, for the definitions of "carrier" and "employee".

[13]A "minor" dispute under the RLA involves a disagreement over the interpretation of a collective bargaining agreement, as distinct from a dispute "over the formation of collective agreements or efforts to secure them." *See Elgin, Joliet & Eastern Ry. v. Burley*, 325 U.S. 711, 722-24, 65 S.Ct. 1282, 1289-90, 89 L.Ed. 1886 (1945).

[14]As CSXT acknowledges in its brief, the "dispute resolution provisions of each contract are now decades old, and no one now associated with the railroad has personal recollection or knowledge concerning the negotiation of these provisions." Similarly, in a letter responding to discovery inquiries, CSXT's attorney stated:

> there are no known notes or records relating to the negotiation of the provisions in the various collective bargaining agreements as to grievance resolution specifically relating to Canadian employees. Indeed it is my understanding that there are no such documents relating to U.S. employees, either. The truth is that all of these agreements are decades old, and the substantive bargaining over dispute resolution provisions in these agreements took place in eras as to which no records now exist and no one currently

CSXT that the agreements were drafted against the background of a longstanding "congressional policy in favor of settlement of disputes by the parties through the machinery of arbitration," *United Steelworkers of Am. v. Warrior & Gulf Navigation Co.*, 363 U.S. 574, 582, 80 S.Ct. 1347, 1352, 4 L.Ed.2d 1409 (1960), a policy embodied in the LMRA and -- as to minor disputes -- even more strongly in the RLA. *Andrews v. Louisville & Nashville R.R.*, 406 U.S. 320, 323, 92 S.Ct. 1562, 1564, 32 L.Ed.2d 95 (1972). *See 1901 Wyoming Ave. Coop. Ass'n v. Lee*, 345 A.2d 456, 461-62 (D.C. 1975) ("there is a presumption that the reasonable person knows all the circumstances surrounding the making of the contract"). We can also agree with CSXT that "[a] collective bargaining agreement is more than a contract; it is a generalized code to govern a myriad of cases which the draftsmen cannot wholly anticipate," *United Steelworkers, supra*, 363 U.S. at 578, 80 S.Ct. at 1350, and that one eventuality the parties likely did not anticipate -- to quote CSXT -- "was that Canadian employees might seek to avoid the arbitral mechanisms of the contracts."

Having conceded all of this, however, we cannot agree with the trial judge that these agreements limit the methods of formally resolving minor disputes to arbitration. Notwithstanding federal labor policy generally and "the realities of the marketplace of collective bargaining," we conclude that the agreements are unambiguous in leaving the employees the choice of submitting their grievances to arbitration or resolving them in court.

It is apparent at the outset that it is not the agreements themselves that create the dichotomy between American and

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employed by CSXT was involved in those negotiations.

Canadian employees which the trial court found anomalous; rather it is the RLA, which courts at least since 1951 have interpreted not to apply to non-United States citizens performing work outside the United States. *See* part I, *supra*. Thus the fact that the agreements, if applied to American employees, would contravene the RLA is not grounds on which to disregard the plain meaning of their language. When an agreement is "facially unambiguous, its language should be relied upon as providing the best objective manifestation of the parties' intent." *1010 Potomac Assoc. v. Grocery Mfrs. of Am.*, 485 A.2d 199, 205 (D.C. 1984). Rule 32 of the Carmen's agreement, while requiring resort to arbitration by either the employee or his representative (the union), expressly reserves to the employee the right to pursue *any other lawful action* for the settlement of a claim or grievance. Rule 98(c) of the Engineers' agreement, while not mentioning arbitration at all, similarly allows the employee or his representative to institute proceedings *before a tribunal having jurisdiction pursuant to law* over the claim or grievance. There is nothing arcane or obscure about these phrases,[15] nor are they "hidden in the folds of the contracts" as the trial judge believed. They are an express reservation of non-arbitration remedies to the employees, and as such they qualify the earlier, seemingly mandatory provision of the Carmen's agreement for arbitration.

A similar issue was presented in *Independent Oil Workers v. Mobil Oil Corp.*, 441 F.2d 651 (3d Cir.1971), in which the court interpreted a dispute resolution provision containing both a mandatory arbitration clause and a clause stating that "[n]othing in this agreement shall prevent either Company or

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[15]CSXT asserts that the phrase "claim or grievance" in Rule 98(c) is, "[i]n railroad vocabulary, . . . arbitration terminology," but provides no case or other support for this assertion.

Union . . . from applying . . . to a court of competent jurisdiction for the relief to which such party may be entitled. . . ." *Id.* at 652 n. 3. The court, while acknowledging the preference for arbitration under federal labor law, held that this "qualification . . . takes away the mandatory aspect of the contractual grievance procedures" and creates "an 'escape' clause which nullifies the mandatory terms of the earlier language and makes arbitration optional." *Id.* at 653, 654. We read the pivotal language of the instant agreements in the same way. The federal policy favoring arbitration "would not . . . preclude . . . [an employee's] court suit if the parties to the collective bargaining agreement expressly agreed that arbitration was not the exclusive remedy," *Republic Steel Corp. v. Maddox*, 379 U.S. 650, 657-58, 85 S.Ct. 614, 618-19, 13 L.Ed.2d 580 (1965); *see Vollmar v. CSX Transp., supra* note 8, 705 F. Supp. at 1170, and we conclude that that is what transpired here.

The alternative readings of the relevant language offered by the trial court and CSXT are not persuasive. The trial court found it "much more reasonable . . . to interpret Rule 32(4) simply as a contractual recognition of the employee's right under the [RLA] to pursue a grievance *even* in cases where his union declines to pursue it" (emphasis added). But as the district court recognized in *Vollmar v. CSX Transp., supra* note 8, this reading makes Rule 32(4) of the principal agreement superfluous because Rule 32(1)(c) already allows an "employee *or* his duly authorized representative" (emphasis added) to file a claim or grievance. 705 F. Supp. at 1170 n. 54; *see* RESTATEMENT (SECOND) OF CONTRACTS § 203(a)(1981)(interpretation giving effect to all terms is preferred over one leaving one part of no effect). Nor can we give proper effect to the language by reading it -- as CSXT urged below -- as preserving the employee's right to go to court in the rare situations where courts have recognized

exceptions to mandatory arbitration provisions. That too would make the language essentially redundant. Finally, CSXT argues that Rule 32(4) is only "intended to enable an individual employee to *settle* grievances" (emphasis by CSXT), *i.e.*, with the employer, "even if the union would prefer to pursue them," and that the term "lawful action" does not mean "lawsuit" but rather "some deed which accords with the law" in the sense that it is not an unfair labor practice. The provision, however, refers to the "settlement of claims" by means of "institut[ing]" an "action", which cannot plausibly mean simply reaching an agreement with the employer.

The fact that "in retrospect [the] agreement[s do] not seem favorable [to CSXT] does not give . . . this court the right to reinterpret clear and unambiguous contractual language." *E.P. Hinkel & Co. v. The Manhattan Co.*, 165 U.S. App.D.C. 140, 144, 506 F.2d 201, 205 (1974). We hold that the agreements reserve to the employees the right to bypass arbitration in favor of resolving disputes in court. Accordingly, we reverse the order of the Superior Court and remand the case for further proceedings.

So ordered.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

STEPHEN RASTALL, et al.,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	Civil Action No. 1414-88
	:	Civil I - Judge Weisberg
CSX TRANSPORTATION, INC.,	:	
	:	
Defendant.	:	
	:	
	:	

ORDER

On January 11, 1989, this court entered an order treating defendant's motion to dismiss as a motion for summary judgment and stating that summary judgment of dismissal in favor of defendant would be granted unless plaintiffs, by February 15, 1989, submitted materials pertinent to a Rule 56 motion, which identified a genuine issue of material fact on the question of whether plaintiffs are required to arbitrate this dispute under the various collective bargaining agreements between their unions and the defendant Railroad. Nothing in plaintiffs' February 15 submission raises a genuine issue of material fact on this question. Instead, plaintiffs have used the occasion to reargue their contention that they are permitted by their collective bargaining agreements to litigate this dispute in court. Plaintiffs' only new authority in support

of their contention is the opinion of Judge Ellis in *Vollmar, et al. v. CSX Transportation, Inc.*, C.A. No. 88-938-A, a case brought in the Eastern District of Virginia by these same plaintiffs, in which Judge Ellis considered this court's January 11 Order and came out the other way on the issue of arbitrability.[16] In effect, plaintiffs have argued that this court is wrong because Judge Ellis is right.

The thoughtful opinion of Judge Ellis does not persuade the court to change the views expressed in its Order of January 11. The court continues to believe that it is implausible, to say the least, that these unions could have bargained with the Railroad for a dispute resolution provision that would require the Railroad's 32,000 American employees to submit minor disputes such as this one to final and binding arbitration, but would permit the 200 Canadian employees to bypass arbitration and opt for court litigation. Moreover, even if the unions would have had some unknown reason for favoring a tiny minority of their members over the majority, it is hard to imagine why the Railroad would have agreed to such a system. Where, as here, plaintiffs' interpretation of these contracts ignores the realities of the marketplace of collective bargaining and goes against the Railway Labor Act and the strong policy favoring arbitration embedded in both

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[16]In addition to Judge Ellis' decision in *Vollmar*, plaintiffs also purport to rely on a 1964 arbitration before the National Railroad Adjustment Board in which, according to plaintiffs, defendant's predecessor took a position inconsistent with the position defendant takes here on the issue of arbitrability. Plaintiffs' reliance on those 1964 proceedings is misplaced for two reasons. First, the Railroad did not concede in the 1964 arbitration that its Canadian employees could litigate that dispute, but argued simply that the dispute should be adjudicated, presumably by arbitration, in Canada. Second, the National Railroad Adjustment Board rejected the Railroad's position as to venue, but held that it had jurisdiction to arbitrate the dispute even though it involved Canadian employees who were otherwise exempt from the coverage of the Railway Labor Act.

American and Canadian labor law, it is not unreasonable for the court to demand some evidence in the contract itself or in the circumstances surrounding the making of the contract that this interpretation was intended by the contracting parties. Plaintiffs have offered nothing, except to argue that the right of the Canadian employees to bypass arbitration is hidden in the folds of the contracts in language which, in context, can not mean what they say it means.

"The meaning of an integrated contract is an issue for the finder of fact only if the contractual language is ambiguous -- i.e., where its interpretation depends on the credibility of extrinsic evidence or on a choice of reasonable inferences from such evidence." *Dodek v. CF 16 Corp.*, 537 A.2d 1086, 1092 (D.C. 1988) (citations omitted). Where a contract is unambiguous, summary judgment is appropriate. *Id.* Moreover, whether a contract is ambiguous is a question of law for the court, and "[c]ontracts are not rendered ambiguous by the mere fact that the parties do not agree upon their proper construction." *Id.* (quoting *Holland v. Hannan*, 456 A.2d 807, 815 (D.C. 1983)).

These contracts are not ambiguous. Plaintiffs are required to arbitrate this minor dispute, not just because the Railway Labor Act requires arbitration (from which plaintiffs, as Canadian workers, are arguably exempt), but because the collective bargaining agreements between their unions and the company require arbitration. No other reading of these contracts makes sense. To create a right to litigate this dispute in court out of the obscure language relied on by plaintiffs would amount to nothing less than rewriting the contracts, when the agreements themselves say, in language

that could not be much clearer, that arbitration is the exclusive method for resolving disputes arising under the contracts.

For the foregoing reasons, and for the reasons stated in this court's Order of January 11, 1989, it is this 1st day of March, 1989

ORDERED that defendant's motion to dismiss, treated as a motion for summary judgment pursuant to Sup. Ct. Civ. R. 12(b), be, and it hereby is, granted.

_____ _____

Date JUDGE FREDERICK H. WEISBERG

DISTRICT OF COLUMBIA
COURT OF APPEALS

No. 89-261

STEPHEN RASTALL, ET AL.,

Appellants, CA1414-88

v.

CSX TRANSPORTATION, INC.,

Appellee,

BEFORE: Rogers, Chief Judge; Newman, Ferren, Belson, Terry, Steadman, Schwelb, Farrell, and Wagner, Associate Judges.

O R D E R

On consideration of appellee's petition for rehearing en banc, the opposition thereto, appellee's motion for leave to file supplemental petition for rehearing en banc, and the lodged supplemental petition, it is

ORDERED that the motion for leave is granted and the Clerk is directed to file the lodged supplemental petition for rehearing en banc; and it appearing that no judge of this court has called for a vote on the supplemental petition for rehearing en banc, it is

FURTHER ORDERED that the supplemental petition for rehearing en banc is denied.

PER CURIAM

DISTRICT OF COLUMBIA
COURT OF APPEALS

No. 89-261

STEPHEN RASTALL, ET AL.,
Appellants,

v. CA1414-88

CSX TRANSPORTATION, INC.,
Appellee,

BEFORE: Rogers, Chief Judge, and Ferren and Farrell, Associate Judges.

O R D E R

On consideration of the motion of appellee to recall and stay mandate, it is

ORDERED that the motion is granted and the mandate of this court issued on October 18, 1990, is deemed recalled solely for the purpose of permitting the redating of this court's judgment to permit the filing of a petition for writ of certiorari in the Supreme Court of the United States. *See Corley v. United States*, 416 A.2d 713 (D.C. 1980). It is

FURTHER ORDERED that issuance of the mandate is hereby stayed for thirty days.

PER CURIAM

DISTRICT OF COLUMBIA
COURT OF APPEALS

No. 89-261

STEPHEN RASTALL, ET AL.,
Appellants,

v. CA1414-88

CSX TRANSPORTATION, INC.,
Appellee,

BEFORE: Rogers, Chief Judge, and Ferren and Farrell, Associate Judges.

J U D G M E N T

On November 20, 1990, this court entered an order recalling the mandate in this appeal for the purpose of redating the judgment to permit the filing of a petition for writ of certiorari in the Supreme Court of the United States. In light of that order, it is

ORDERED and ADJUDGED that the judgment on appeal here be, and it is hereby reversed and this cause is remanded for further proceedings.

FOR THE COURT:

RICHARD B. HOFFMAN
Clerk of the Court

STATUTES

The Railway Labor Act, 45 U.S.C. § 151 *et seq.* provides, in pertinent part:

Section 1:

> Sixth. The term "representative" means any person or persons, labor union, organization, or corporation designated either by a carrier or group of carriers or by its or their employees, to act for it or them.

Section 1a:

> The purposes of this chapter are: * * *
> (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions; (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

Section 2:

> Ninth. If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this chapter, it shall be the duty of the Mediation Board, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within thirty days after the receipt of the invocation of its services, the name

or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this chapter.*

* *

Section 3:

First. There is established a Board, to be known as the "National Railroad Adjustment Board", the members of which shall be selected within thirty days after June 21, 1934, and it is provided--

(a) That the said Adjustment Board shall consist of thirty-four members, seventeen of whom shall be selected by the carriers and seventeen by such labor organizations of the employees, national in scope, as have been or may be organized in accordance with the provisions of sections 151a and 152 of this title.

* * *

(i) The disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on June 21, 1934 shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to

reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to the appropriate division of the Adjustment Board with a full statement of the facts and all supporting data bearing upon the disputes.

(j) Parties may be heard either in person, by counsel, or by other representatives, as they may respectively elect, and the several divisions of the Adjustment Board shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in any disputes submitted to them.

(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any place designated by the division: *Provided, however,* That except as provided in paragraph (h) of this section, final awards as to any such dispute must be made by the entire division as hereinafter provided.* * *

(m) The awards of the several divisions of the Adjustment Board shall be stated in writing. A copy of the awards shall be furnished to the respective parties to the controversy, and the awards shall be final and binding upon both parties to the dispute. In case a dispute arises involving an interpretation of the award, the division of the Board upon request of either party shall interpret the award in the light of the dispute.* * *

(o) In case of an award by any division of the Adjustment Board in favor of petitioner, the division of the Board shall make an order, directed to the carrier, to make the award effective and, if the award includes a requirement for the payment of money, to pay to the employee the sum to which he is entitled under the award on or before a day named. In the event any division determines that an award favorable to the petitioner should not be made in any dispute referred to it, the division shall make an order to the petitioner stating such determination.

(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose benefit such order was made, may file in the District Court of the United States for the district in which he resides or in which is located the principal operating officer of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief, and the order of the division of the Adjustment Board in the premises. Such suit in the District Court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be conclusive on the parties. . . . *Provided, however,* That such order may not be set aside except for failure of the division to comply with the requirements of this chapter, for failure of the order to conform, or confine itself, to matters within the scope of the division's jurisdiction, or

for fraud or corruption by a member of the division making the order.

(q) If any employee or group of employees, or any carrier, is aggrieved by the failure of any division of the Adjustment Board to make an award in a dispute referred to it, or is aggrieved by any of the terms of an award or by the failure of the division to include certain terms in such award, then such employee or group of employees or carrier may file in any United States district court in which a petition under paragraph (p) could be filed, a petition for review of the division's order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Adjustment Board. The Adjustment Board shall file in the court the record of the proceedings on which it based its action. The court shall have jurisdiction to affirm the order of the division or to set it aside, in whole or in part, or it may remand the proceeding to the division for such further action as it may direct. On such review, the findings and order of the division shall be conclusive on the parties, except that the order of the division may be set aside, in whole or in part, or remanded to the division, for failure of the division to comply with the requirements of this chapter, for failure of the order to conform, or confine itself, to matters within the scope of the division's jurisdiction, or for fraud or corruption by a member of the division making the order. The judgment of the court shall be subject to review as provided in sections 1291 and 1254 of Title 28. * * *

Second. Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives, selected in accordance with the provisions of this chapter, from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. In the event that either party to such a system, group, or regional board of adjustment is dissatisfied with such arrangement, it may upon ninety days' notice to the other party elect to come under the jurisdiction of the Adjustment Board.

If written request is made upon any individual carrier by the representative of any craft or class of employees of such carrier for the establishment of a special board of adjustment to resolve disputes otherwise referable to the Adjustment Board, or any dispute which has been pending before the Adjustment Board for twelve months from the date the dispute (claim) is received by the Board, or if any carrier makes such a request upon any such representative, the carrier or the representative upon whom such request is made shall join in an agreement establishing such a board within thirty days from the date such request is made. The cases which may be considered by such board shall be defined in the agreement establishing it.* * *

Such awards shall be final and binding upon both parties to the dispute and if in favor of the

> petitioner, shall direct the other party to comply therewith on or before the day named. Compliance with such awards shall be enforceable by proceedings in the United States district courts in the same manner and subject to the same provisions that apply to proceedings for enforcement of compliance with awards of the Adjustment Board.

The *Canada Labour Code* provides, in pertinent part:

> 155(1) Every collective agreement shall contain a provision for final settlement without stoppage of work, by arbitration or otherwise, of all differences between the parties to or employees bound by the collective agreement, concerning its interpretation, application, administration or alleged violation.

(2)

90-993

Supreme Court, U.S.
FILED
DEC 20 1990
JOSEPH F. SPANIOL, JR.
CLERK

No. ____

In The
Supreme Court of the United States
October Term, 1990

CSX TRANSPORTATION, INC.,
Petitioner,

v.

STEPHEN RASTALL and TIMOTHY GOWDEY,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

SUPPLEMENTAL APPENDIX TO PETITION OF CSX TRANSPORTATION, INC. FOR A WRIT OF CERTIORARI TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

Nicholas S. Yovanovic
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, Florida 32202
(904) 359-1244

H. Russell Smouse
Jack L.B. Gohn
Whiteford, Taylor & Preston
Suite 1400
Seven St. Paul Street
Baltimore, MD 21202
(301) 347-8700

Ronald M. Johnson
Counsel of Record
Charles L. Warren
Victoria A. Higman
Akin, Gump, Strauss,
Hauer & Feld
1333 New Hampshire
Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 887-4114

Attorneys for Petitioner
CSX TRANSPORTATION,
INC.

December 20, 1990

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United Transportation Union (E), Publ. L. Bd. No. 884, Award No. 5 (decided Detroit, Michigan, February 17, 1974)	SA-99
United Transportation Union (E), Publ. L. Bd. No. 884, Award No. 6 (decided Detroit, Michigan, February 7, 1974)	SA-103
Brotherhood of Locomotive Engineers, Publ. L. Bd. No. 1547, Award No. 153 (decided Baltimore, Maryland, June 29, 1984)	SA-107

Brotherhood of Locomotive Engineers, Publ. L. Bd. No. 1547, Award No. ___, Case No. 163 (decided Baltimore, Maryland, April 20, 1987) SA-109

Brotherhood of Locomotive Engineers, Publ. L. Bd. No. 1547, Award No. 160 (decided Baltimore, Maryland, April 30, 1986) SA-113

Brotherhood of Locomotive Engineers, Publ. L. Bd. No. 1547, Award No. 155 (decided Baltimore, Maryland, June 29, 1984) SA-117

Brotherhood of Railway Signalmen, Natl. R. Adj. Bd., Third Div., Award No. 21130, Docket No. SG-21059 (decided Chicago, Illinois, July 30, 1976) SA-121

Affidavit of Wesley B. Rayner SA-131

Excerpts from the Agreement between The Chesapeake and Ohio Railway Company and the Brotherhood of Railway Carmen of the United States and Canada (Revised and Reprinted July, 1985) SA-139

Dave Allen, et al., Natl. R. Adj. Bd., First Div., Award No. 24000, Docket No. 43636 (decided Chicago, Illinois, June 25, 1990) (without attachments) SA-167

United Transportation Union, Natl. R. Adj. Bd., First Div., Award No. 23963, Docket No. 43610 (decided Chicago, Illinois, October 27, 1989)(without attachments) SA-173

Brotherhood of Locomotive Engineers, Natl. R. Adj. Bd., First Div. Award No. 23964, Docket No. 43612 (decided Chicago, Illinois, October 27, 1989)(without attachments) . . . SA-179

United Transportation Union, Natl. R. Adj. Bd., First Div., Award No. 23962, Docket No. 43596 (decided Chicago, Illinois, October 27, 1989)(without attachments) SA-185

Brotherhood of Locomotive Engineers, Natl. Adj. Bd., First Div. Award No. 23959, Docket No. 43593 (decided Chicago, Illinois, October 27, 1989)(without attachments) SA-187

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

STEPHEN RASTALL R.R. 1 Camlachie, Ontario NON1E0; and TIMOTHY GOWDEY 360 East Street, North Sarnia, Ontario N7T6YE On behalf of themselves and all other persons similarly situated Plaintiffs, v. CSX CORPORATION 1 James Centre Richmond, Virginia 23219; and CSX TRANSPORTATION, INC. 500 Water Street Jacksonville, Florida 32202 Serve: Woodruff M. Price, Registered Agent 1331 Pennsylvania Avenue, N.W. Suite 560 Washington, D.C. 20004 Defendants.	Civil Action No. ___

COMPLAINT FOR BREACH OF CONTRACT
NATURE OF THE ACTION

1. This is a civil class action in which Plaintiffs seek injunctive relief and damages for breach of contract resulting from the failure of Defendants to pay Plaintiffs and all others similarly situated the amount to which they are entitled under their employment contracts with Defendants.

2. Plaintiffs reside and work in Ontario, Canada for CSX Transportation, Inc. which is a wholly owned subsidiary of CSX Corporation, a Virginia Corporation, and which operates a railroad system consisting of approximately 22,000 miles of track in the United States and approximately 100 miles of track in Canada.

3. The terms and conditions of Plaintiffs' employment are governed by a collective bargaining agreement which was negotiated and executed in the United States and which applies to employees of CSX Transportation and its predecessors in interest (hereinafter referred to collectively as "CSXT") in Plaintiffs' craft wherever they reside and work. All CSXT's collective bargaining agreements covering railroad employees, including those covering Plaintiffs, require CSXT to pay wages, pensions and other benefits in "dollars."

4. CSXT has paid and continues to pay all its railroad employees who reside and work in the United States in United States dollars. CSXT, however, has paid and continues to pay all its employees who reside and work in Canada in Canadian dollars. Because a Canadian dollar is and has been for several years worth substantially less than a United States dollar, CSXT's practice has greatly injured and discriminated against Plaintiffs and all other CSXT railroad employees residing and

working in Canada by compensating them less for the same work than their counterparts who reside and work in the United States. Plaintiffs contend that the collective bargaining agreements covering Canadian employees require payment to them and all other Canadian employees of wages and benefits in United States dollars or the equivalent value and that CSXT's practice of paying them in Canadian dollars is a breach of contract.

PARTIES AND JURISDICTION

5. Plaintiff Stephen Rastall is a Canadian citizen who resides at R.R. 1, Camlachie, Ontario NON1E0. He is employed by CSX as a carman and performs his duties in Canada. He has been employed by CSX continuously since 1978.

6. Plaintiff Timothy Gowdey is a Canadian citizen who resides at 360 East Street, North, Sarnia, Ontario N7T6YE. He is employed by CSX as a carman and performs his duties in Canada. He has been employed by CSX continuously since 1978.

7. Defendant CSX Corporation is a Virginia corporation with its principal place of business at One James Centre, Richmond, Virginia 23219. Defendant CSX Transportation, Inc. is a wholly owned subsidiary of CSX Corporation, which operates a 22,000 mile railroad system serving 20 states and the District of Columbia in the United States and the Province of Ontario, Canada. CSX Transportation employs more than 40,000 persons, approximately 200 of whom reside and work in Canada. CSX Corporation and CSX Transportation do business in the District of Columbia. Among other activities, CSX Transportation owns railroad tracks and operates trains in the District of Columbia.

8. Jurisdiction of this Court is founded on D.C. Code (1967 Edition, Supplement II) § 11-921.

9. Personal jurisdiction over the defendants is conferred upon this court by D.C. Code Ann. (1961 Edition, Supplement IV) § 13-334(a).

CLASS ACTION ALLEGATIONS

10. Plaintiffs bring this action on behalf of themselves and all other persons similarly situated, pursuant to SCR - Civil 23(a) and (b)(1), (2) and (3). The class which Plaintiffs represent is composed of all past, present and future employees of CSXT who have resided and worked for CSXT in Canada.

11. The class is comprised of approximately 200 persons presently residing in Canada and employed by CSXT in Canada and hundreds of other Canadian residents either employed by CSXT in the past or who will be employed by CSXT in the future. These persons are so numerous that the joinder of all is impracticable.

12. There are common questions of law and fact affecting the members of this class. The principal common question is whether the collective bargaining agreements of the class members with CSXT entitle them to receive wages valued in United States dollars. Upon information and belief, the provisions of the collective bargain agreements covering all members of the class that are pertinent to this question are substantially identical. This common question predominates over any questions affecting only individual members of this class.

13. Plaintiffs' claims are typical of the claims of the class and Plaintiffs will fairly and adequately protect the interest of the class. The contract provisions on which Plaintiffs' rely are substantially identical to those of the other class members' collective bargaining agreements. The interests of Plaintiffs and the class are thus co-extensive. Plaintiffs have no interest antagonistic to the class members, nor will CSX Corporation and CSXT have any defense against this action unique to Plaintiffs.

14. The prosecution of separate actions by the class members would create a risk of varying adjudications which would establish incompatible standards of conduct for the Defendant.

15. Defendants have acted and have refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief and corresponding declaratory relief with respect to the class as a whole.

16. A class action is superior to any other available method for the fair and efficient adjudication of this controversy.

BACKGROUND OF THE ACTION

17. The collective bargaining agreement covering Plaintiffs is attached as Exhibit A (the "CBA"). It was negotiated and executed in the United States. Rule 12 of the CBA specifies rates of pay in terms of "dollars" or with the dollar symbol, "$".

18. From 1950 through 1977 the value of the Canadian dollar and the United States dollar were substantially equal. As shown by Exhibit B, the Canadian dollar during this period was never more than 8 percent higher or lower in value than

the United States dollar. Beginning in 1978 the value of the Canadian dollar relative to the United States dollar began to decline dramatically. In 1978 a Canadian dollar was worth 88 cents in United States currency; in 1983 it was worth 81 cents; in 1984 it was worth 77 cents; and in 1986 it was worth 72 cents, or 28 percent lower in value than the United States dollar.

19. Pursuant to the grievance procedures set forth in Rule 32 of the CBA, Plaintiffs and others filed a claim with Mechanical Superintendent R.W. Meseke, a CSXT official, for payment of their wages in United States dollars or the equivalent thereof. R.W. Meseke denied Plaintiffs' claims by letter dated February 6, 1987.

20. Plaintiffs filed an appeal of R.W. Meseke's action on March 25, 1987 to J.T. Williams, Director of Labor Relations of CSXT. Said appeal is attached as Exhibit C.

21. By letter dated May 18, 1987 Mr. Williams denied Plaintiffs' appeal. Exhibit D.

22. Mr. Williams conducted a further conference regarding Plaintiffs' appeal on June 9, 1987. Following the conference Mr. Williams adhered to his earlier decision denying the appeal. His report of the conference stated as follows:

> Both American and Canadian employees wages are derived from agreements negotiated in the U.S. with all wages and rates stated in terms of "dollars". There has never been any provision of any Agreement distinguishing between Canadian and American dollars or referencing exchange rates. This has remained

true even at times when the exchange rate favored the Canadian dollar.

Exhibit E.

23. On October 27, 1987 the Plaintiffs' attorneys met with Mark Aron, CSX Corporation's Senior Vice President, Law and Public Affairs, further to press the claims of Plaintiffs and all other Canadian employees of CSXT regarding payment in United States dollars. Following the meeting, Plaintiffs' attorneys set forth their reasons in a letter dated November 13, 1987. Exhibit F.

24. By letter dated December 30, 1987 Mr. Aron responded to Plaintiffs' attorneys, denying their claims. Exhibit G.

25. Plaintiffs have exhausted all available grievance procedures. In view of the positions asserted by J.T. Williams, CSXT's Director of Labor Relations, and Mark Aron, CSX Corporation's chief legal officer, further grievances and claims by any Canadian employee regarding payment in United States dollars would be futile.

CAUSE OF ACTION FOR BREACH OF CONTRACT

26. Plaintiffs repeat and reallege each of the preceding paragraphs as if fully set forth herein.

27. The collective bargaining agreements covering Plaintiffs and members of the Plaintiff class establish the level of wages, pensions and other benefits required to be paid to all CSXT employees, including Plaintiffs and members of the Plaintiff class, in terms of United States dollars. The agreements were

negotiated in the United States. Defendants and the employees' bargaining agents understood and intended that the wages, pensions and other benefits were established in terms of United States dollars. It would be unreasonable and contrary to public policy to construe the agreements in a way that would provide different and substantially less wages, pensions and benefits to Canadian employees from the wages, pensions and benefits provided to United States employees of the same employer for the same work.

28. Defendants' payment of wages to Plaintiffs and members of the plaintiff class in Canadian dollars and Defendants' refusal to pay such wages in American dollars or the equivalent value at current exchange rates constitute a continuing breach of Defendants' contractual obligations to Plaintiffs and members of the Plaintiff class.

WHEREFORE,

(a) This Court should order Defendants to pay damages to Plaintiffs and all members of the Plaintiff class equal to the difference between the value of the total dollars paid to Plaintiffs and members of the Plaintiff class in United States dollars as wages and other benefits, calculated at the exchange rates at the times of such payments, and the value of the total dollars paid to Plaintiffs and members of the Plaintiff class in Canadian dollars, calculated at the exchange rates at the times of such payments, plus interest from the times of such payments;

(b) This Court should enjoin Defendants from refusing hereafter to pay Plaintiffs and members of the Plaintiff class wages and benefits in United States dollars or the equivalent value;

(c) The Court should award costs and attorneys fees to Plaintiffs and their attorneys; and

(d) This Court should grant such other and further relief as the Court may deem just and proper.

Pursuant to SCR-Civil 38(b), Plaintiffs demand a trial by jury.

Richard A. Allen
D.C. Bar No. 160523

Jayme I. Rizzolo

ZUCKERT, SCOUTT
AND RASENBERGER
888 Seventeenth Street, N.W.
Suite 600
Washington, D.C. 20006
(202) 298-8660

Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

STEPHEN RASTALL, et al.,	)	
	)	
Plaintiffs	)	
	)	
v.	)	
	)	Civil Action No.
	)	88-610-GAG
	)	
CSX CORPORATION, et al.,	)	
	)	
Defendants	)	

* * * * * * * * *

AFFIDAVIT OF WARREN C. COMISKEY

WARREN C. COMISKEY, first being duly sworn, hereby deposes and states as follows:

1. I am over eighteen years of age, and competent to render testimony in legal proceedings.

2. All of the statements made herein are of my own personal knowledge, or are based upon either reliable information received by me in the ordinary and regular course of business, or upon the records kept in the offices in which I am employed and which records were accumulated and maintained in the ordinary and regular course of business.

3. I am presently employed as Director, Labor Relations for CSX Transportation, Inc. (CSXT). I have been employed in the labor relations field for CSXT or one or more of its predecessors for 15 years.

4. CSXT is a common carrier by rail, and is the successor by merger to the Chesapeake and Ohio Railway Company (C&O). The C&O in turn was the successor by merger (on June 6, 1947) to the Pere Marquette Railway (PMR).

5. PMR operated in southern Ontario and in Michigan, and employed employees in both Canada and the United States, including certain employees who operate trains whose functions required them to cross national borders routinely. After PMR merged into C&O, it remained as separate seniority territories of C&O or with separate seniority points (except as to one equipment repairman position) for collective bargaining and administrative purposes. The separate seniority territories or points (except as to one position, as stated before) for collective bargaining and administrative purposes have been maintained by CSXT. Neither CSXT nor the C&O (hereafter collectively the Railroad) have had any collective bargaining employees in Canada other than those operating within the Canadian seniority district of the former PMR (Canadian District).

6. The following crafts have historically operated within the Canadian District:

1) Transportation Communications International Union

2) Brotherhood of Locomotive Engineers

3) United Transportation Union (C&T) (Road Conductors and Trainmen)

4) United Transportation Union (E) (Firemen and Hostlers)

5) United Transportation Union (T) (Yardmen)

6) Allied Services Division/Transportation Communications International Union

7) Brotherhood of Railroad Signalmen

8) Brotherhood of Maintenance of Way Employees

9) International Association of Machinists and Aerospace Workers

10) Brotherhood Railway Carmen of the United States and Canada

11) American Train Dispatchers Association

12) American Railway and Airway Supervisors Association Division/Transportation Communications International Union

All Canadian District employees who were members of these crafts were represented by labor unions which entered into collective bargaining agreements with the Railroad. When disputes concerning the meaning or implementation of those agreements arose between those employees (and/or their unions) and the Railroad, these disputes were invariably

addressed by resort to the grievance and arbitration provisions of the Railway Labor Act, 45 U.S.C. Section 151 *et seq.* (the Act).

7. On one occasion, when Canadian District employees sought to arbitrate a grievance according to the terms of the Act, before the National Railroad Adjustment Board, the Railroad opposed the jurisdiction of the Board on the basis that the Act did not apply to Canadian employees within the Canadian District. The Board rejected that contention and ruled that it did have jurisdiction. *Order of Railroad Telegraphers*, Award No. 12667, Natl. R. Adj. Bd., 3rd Div., Docket TE-10995 (June 26, 1964). (Exhibit A hereto).

8. Other cases where Canadian District employees, their unions, and the Railroad arbitrated grievances according to the terms of the Act are:

a) *System Federation No. 4 (Carmen)*, Special Bd. of Adj. No. 570, Award No. 452, Case No. 514 (decided Chicago, Illinois, May 17, 1978) (Exhibit B hereto). In this case, the Carmen's union claimed that the employee was furloughed at Paquette, Ontario, without notice as required under the same collective bargaining agreement which has given rise to the above-captioned dispute. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

b) *United Transportation Union*, Publ. L. Bd. No. 347, Award No. 25 (decided Detroit, Michigan, February 5, 1970) (Exhibit C hereto). This case involved a derailment at Walkerville, Ontario, resulting in the suspension of a brakeman for fifteen

days. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

c) *United Transporation Union*, Publ. L. Bd. No. 347, Award No. 87 (decided Detroit, Michigan, May 16, 1972) (Exhibit D hereto). This involved a brakeman's claim of a right to be called to work at St. Thomas, Ontario. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

d) *United Transportation Union (E)*, Publ. L. Bd. No. 884, Award No. 5 (decided Detroit, Michigan, February 17, 1974) (Exhibit E hereto). Although this engineer and fireman's claim involved an international portion of the run, the occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

e) *United Transportation Union (E)*, Publ. L. Bd. No. 884, Award No. 6 (decided Detroit, Michigan, February 7, 1974) (Exhibit F hereto). Although this engineer and fireman's claim involved an international run, the part of the run which was the subject of the grievance was in Canada, and the crew was Canadian. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

f) *Brotherhood of Locomotive Engineers*, Publ. L. Bd. No. 1547, Award No. 153 (decided Baltimore, Maryland, June 29, 1984) (Exhibit H hereto). This case involved an employee suspension arising out of

the conduct of a Canadian employee in a Canadian rail yard. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

h) *Brotherhood of Locomotive Engineers*, Publ. L. Bd. No. 1547 Award No. , Case No. 163 (decided Baltimore, Maryland, April 20, 1987) (Exhibit I hereto). This case arose from the dispatch of a relief crew from the United States to relieve a crew in Ontario. The occurrence on which the claim was based arose exclusively in Canada and it was adjudicated under the Act's procedures.

i) *Brotherhood of Locomotive Engineers*, Publ. L. Bd. No. 1547, Award 160 (decided Baltimore, Maryland, April 30, 1986) (Exhibit J hereto). This engineers' claim resulted from delay in the United States, but the employees involved were Canadian. It was adjudicated under the Act's procedures.

j) *Brotherhood of Locomotive Engineers*, Publ. L. Bd. No. 1547, Award No. 155 (decided Baltimore, Maryland, June 29, 1984) (Exhibit K hereto). This engineers' claim resulted from delay in the United States, but the employees involved were Canadian. It was adjudicated under the Act's procedures.

k) *Brotherhood of Railway Signalmen*, Nat. R. Adj. Bd., Third Div., Award No. 21130, Docket No. SG-21059 (decided Chicago, Illinois, July 30, 1976) (Exhibit L hereto). This dispute involved signalmen who were exclusively employed within Canada. It was adjudicated under the Act's procedures.

9. In addition to these cases, which clearly demonstrate a pattern and practice by the Railroad, its employees within the Canadian District, the National Railroad Adjustment Board, and Public Law Boards consistently viewing the Act as the law governing the resolution of grievances, it is similarly viewed by numerous present employees within the Canadian District as to the very question here in issue (whether Canadian employees of the Railroad are to be paid in American dollars). I have knowledge that responses have been made to 326 claims filed by 69 employees, including conductors, clerks, firemen, engineers, carmen, and train dispatchers, all brought in accordance with the provisions of the Act, all relating to this issue.

WARREN C. COMISKEY

STATE OF FLORIDA)
) To Wit:
COUNTY OF DUVAL)

I HEREBY CERTIFY that on this _____ day of _____, 1988, before me, the subscriber, a Notary Public in and for the State and County aforesaid personally appeared WARREN C. COMISKEY who made oath in due form of law that the matters and facts set forth in the aforegoing Affidavit are true and correct to the best of his knowledge, information and belief.

AS WITNESS my hand and Notarial Seal.

_____
NOTARY PUBLIC

Award No. 12667
Docket No. TE-10995

NATIONAL RAILROAD ADJUSTMENT BOARD

THIRD DIVISION

John H. Dorsey, Referee

PARTIES TO DISPUTE:

THE ORDER OF RAILROAD TELEGRAPHERS

THE CHESAPEAKE AND OHIO RAILWAY COMPANY
(Pere Marquette District)

STATEMENT OF CLAIM: Claim of the General Committee of The Order of Railroad Telegraphers on the Chesapeake and Ohio Railway (Pere Marquette District) that:

1. Carrier violated the agreement between the parties when it required or permitted employes not covered by the agreement to handle work permit orders (Form CC-4) at Leamington, Ontario on December 9, 1957, at Kingsville, Ontario on December 9, 1957, and at Harrow, Ontario on December 10, 1957.

2. Carrier shall be required to compensate the Agent-Operator at each station in the amount of a minimum call payment:

B. N. Brad, Agent-Operator, Leamington, on December 9, 1957,

G. W. Hall, Agent-Operator, Kingsville, on December 9, 1957,

H. V. Meek, Agent-Operator, Harrow, on December 10, 1957.

EMPLOYES' STATEMENT OF FACTS: The agreements between the parties are available to your Board and by this reference are made a part hereof.

At Leamington, Ontario there is one position covered by the Agreement, that of Agent-Operator with assigned hours of 9:00 A.M. to 6:00 P.M. (one hour meal period). At the time cause for this claim arose B. N. Brad was the regularly assigned incumbent of the position. At 6:59 P.M. on December 9, 1957 the conductor of train Extra 5734 received and copied direct from the train dispatcher the following work order:

"WORK PERMIT CARD FORM CC-4

December 9, 1957

TO C&E Eng 5731 at Leamington

You may work between Stop 3 west and Leamington and Stop 3 east end Wheatley until 7:55 P.M.

(signed) HBM."

The conductor then repeated the order to the train dispatcher and delivered a copy to the engineer of his train.

At Kingsville, Ontario there is one position covered by the Agreement, that of Agent-Operator with assigned hours of 8:00 A.M. to 5:00 P.M. (one hour meal period). At the time cause for this claim arose G. W. Hall was the regularly assigned incumbent of this position. At 6:01 P.M. on December 9, 1957 the conductor of train Extra 5734 received and copied the following work order direct from the train dispatcher:

"WORK PERMIT CARD FORM CC-4
December 9, 1957, 6:01 P.M.

To C&E Eng 5734 at Kingsville

You may work between S. Signal M-31-3 and S. Signal N-29 until 6:15 P.M.

(signed) HBM."

The conductor then repeated the order to the train dispatcher and delivered a copy to the engineer of his train.

Again at 6:23 P.M. the conductor of Extra 5734 at Kingsville received and copied the following order direct from the train dispatcher:

"WORK PERMIT CARD FORM CC-4

To C&E Eng 5734 at Kingsville

You may work between S. Signal M-29 and S. Signal N-31.3 until 7:15 P.M.

(signed) HBM."

The conductor then repeated the order to the train dispatcher and delivered to the engineer of his train.

At Harrow, Ontario there is one position covered by the agreement, that of Agent-Operator with assigned hours of 8:00 A.M. to 5:00 P.M. (one hour meal period). At the time cause for this claim arose H. V. Meek was the regularly assigned incumbent of the position. At 5:22 P.M. on December 10, 1957 the conductor of train Extra 5731 received and copied the following order direct from the train dispatcher:

"WORK PERMIT CARD FORM CC-4
December 10, 1957, 5:22 P.M.

To C&E Eng 5731 at Harrow

You may work between SS EE Harrow and SS Mileage 19 until 6:00 P.M.

(signed) HBM."

The conductor then repeated the order in the train dispatcher and delivered a copy to the engineer of his train.

The violations set forth above all took place outside the regular hours of the agent-operators. The agent-operator at each station was available for this work.

Claims were filed and handled in the usual manner up to and including the highest designated officer of the Carrier and have been declined. The claims were handled in three separate proceedings on the property. Correspondence covering the handling of the claim at Leamington which is typical of the others is attached hereto as ORT Exhibits Nos. 1 through 9.

POSITION OF EMPLOYES: The work in connection with the handling of work orders whether by Form 19 or 31 or by Work Permit Card is work covered by the scope of the Telegraphers' Agreement and must be assigned to employes covered by that Agreement. All the work at a one-man station belongs to the agent-operator assigned to that station.

There is no dispute between the parties concerning what actually happened. The conductors, on the dates specified, received, copied and delivered the work permit cards. Carrier wishes to classify it as mere conversation.

Employes rely primarily on the Scope Rule of the Agreement, though other rules are pertinent and applicable and will be referred to later on in this submission. Rule 1, Scope, reads as follows:

"(a) These rules shall govern the hours of service, working conditions and compensation of the following classes of employes:

Agents

Agent-Operators (Agent-Telegraphers and Agent-Telephoners)

Ticket Agents (as listed in wage scale)

Agents (small non-telegraph or non-telephone)

Chief Operators

Operator-Clerks (telegrapher-clerks and telephoner-clerks)

Operator-Cashiers

Operator-Levermen

Operator-Bridgetenders

Operators (telegraphers and telephoners but not including telephone switchboard operators)

Levermen

Drawbridge Tenders

Block Operators

Tower and Train Directors

Staff men

Any combination of two or more of the above classifications

Occupants of any other positions listed in wage schedule.

(b) As used in this agreement, the word "employe" shall be understood to include all employes of the classifications mentioned in paragraph (a) of this rule unless specific classifications are designated; and the word 'station' refers to the location at which employes perform service."

The above Scope Rule is typical of scope rules of this Organization and covers all the work accruing to the classes set forth therein. The work of transmitting and receiving messages, orders and reports of record is firmly attached to the class and craft of Telegraphers. This holds true regardless of the method of communication -- telegraph, telephone, teletype, etc. It has been held by your Board on numerous occasions that the work covered by an agreement belongs to the employes in whose behalf the agreement was negotiated and that the transfer or assignment of that work to others, not covered by the agreement, is a violation which entitles the covered employes to reparation because of the breach of contract. This was aptly expressed in Award 5172 wherein it was said:

"AWARD 5172

> It is a fundamental rule that work of a class covered by an agreement belongs to those for whose benefit the contract was made. A delegation of such work to others not covered by the agreement is violative of the agreement. Under the rules, such work must be given to available employes within the agreement, even though overtime results, before it can be assigned to one outside the agreement, Awards 3955, 2706."

It has further been held by your Board that all the work of a one-man station belongs to the agent at that station. See Awards 4392, 5993, 6975, 7590.

There can be no doubt that work covered by the Agreement performed at Leamington, Kingsville and Harrow should be assigned to and performed by the agent-operators no matter whether inside or outside of their regular hours. This Carrier recognizes this fact as it attempts to place the work performed in a category exempted from coverage by a memorandum of agreement. The fact that the Carrier cites the memorandum of agreement to support its contention that the work is specifically excepted in that memorandum, is a recognition that the work is covered by the Scope Rule, otherwise no exception is necessary. The work of handling the work permit cards, here involved, is covered by the Scope Rule; therefore, if no exception has been made by agreement between the parties, the claim must be sustained. The memorandum of agreement which Carrier asserts excepts the work here involved appears in the printed agreement at page 48 captioned "Addendum 1." It reads as follows:

"ADDENDUM 1

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING entered into at Detroit, Michigan, April 29, 1943, between the management of the Pere Marquette Railway Company and the Committees of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railroad Trainmen and the Order of Railroad Telegraphers, represented by the signatories hereto:

1. It is agreed that, effective May 15, 1943, train and engine service employes will not, except in case of emergency, be required or permitted to copy, or train dispatchers or operators be required or permitted to telephone direct to train and engine service employes, train orders (Forms 19 and 31), clearances (Form A), or written messages, nor to block or report trains.

2. It is further understood and agreed that direct telephone conversation between train dispatcher or operator and train and engine service employes about work, reporting train or engine clear of main track, permission to occupy main track, or permission to cross from one main track to another, will not be construed as a violation of this agreement.

3. For the purpose of applying this understanding, emergency is defined as follows:

Severe weather disturbances; track conditions or obstructions; failure of fixed signals; engine or equipment failures, which interfere with the normal operation of

trains; casualties; accidents; or any unforeseen situations where life or property may be in jeopardy requiring immediate attention, which could not have been anticipated when train was at previous telegraph office.

FOR THE MANAGEMENT OF THE PERE MARQUETTE RAILWAY COMPANY:

/s/ M. M. Cronk
General Manager

FOR THE EMPLOYEES:

Brotherhood of Locomotive Engineers:
/s/ J. J. Hendrick
Authorized Representative

Brotherhood of Locomotive Firemen and Enginemen:
/s/ B. C. Johnson

Order of Railway Conductors:
/s/ J. J. Hendrick
Vice President

Order of Railroad Telegraphers:
/s/ H. C. Kearby
Vice President."

Before discussing the application of the above memorandum, we wish to point out that there was no emergency existing or claimed on the dates or at the locations involved in the instant dispute.

Section 1 of the Memorandum deals with train orders and certainly reserves to telegraphers the exclusive right to handle train orders. Rule 25, covering stations where operators are employed, confirms this. It is firmly established that, if the work permit cards are considered as train orders, the agreement was violated. Prior to the time CTC (Centralized Traffic Control) operation was inaugurated on this district, the control of train operation was by time table and train orders. When CTC became the primary agency of control, train orders were subordinated. Some so-called "slow orders" restricting speeds below normal limits or calling attention to unusual conditions are issued from time to time on regular train order forms. The operation and movement of trains proceeding

directly from one end of the operating district to the other with only service stops can be, and is, controlled by "signaled indication." The train dispatcher changes the positions of the switches and signals in the district by the manipulation of levers on the control board located in his office. However, some uses of the main tracks must be governed or controlled by other means. Here we are concerned with a work train or work extra. Prior to CTC, when it was necessary to authorize a work extra, a type "H" train order was issued addressed to the engine which was to perform as the work extra and addressed to eastward train at some station west of the work location and to westward trains at some station east of the work location. It was necessary to give copies to the through trains to prevent them from invading the territory allotted to the work extra. A fundamental example of a type "H" order reads as follows:

"ORDER No. 100

December 9, 1957

C&E Eng. 1

Eng. 1 work extra between A and B from 8:01 A.M. until 4:01 P.M.

(signed) ABC."

This can be supplemented by adding: "protecting against second class and extra trains" or "not protecting against extra trains." There are a number of supplements which take care of the particular situation. With the advent of CTC where the train dispatcher or train controller can hold the through trains outside of the work territory by displaying a red signal at each

end of this territory it is not necessary to address copies of the work order to the through trains. The train controller issues the work order only to the train which is to perform the work and sets the governing signals at STOP, placing tags or markers on the levers controlling the governing signals to prevent inadvertent operation of these levers. Instead of issuing a work order to cover the entire time the work train is to work, he issues a work order permitting the work extra to work until the next through train is expected, then the work extra must clear the main track allowing the through train or trains to pass and receive another work order covering the next period of time before another through train is due. Insofar as the work train is concerned it receives an order permitting it to work between specified locations during a specified period of time. The so-called Work Permit Card is nothing more than the type "H" train order adapted for use in CTC territory. If not technically a train order it certainly is an order used in lieu of a train order. For the purpose of applying the rules of the agreement, it is a train order. There are numerous awards of your Board upholding the right of telegraphers to handle train orders. In Award 5087 your Board said:

> "This division has repeatedly held that the handling of train orders within the contemplation of the ordinary train order rule such as we have here, means that the receiving copying and delivering of train orders is reserved to telegraphers."

Awards 5086, 5992, 6321, 6322 and many others also deal with the handling of train orders.

Carrier contends, of course, that the Work Permit Card is not a train order. It is forced to take this position in order to have any reason whatsoever for denying the claim.

Employes have shown above that for all practical purposes the Permit Card Form CC-4 is a train order. Carrier cannot, and does not, deny that the train service employe receives and makes copies of it and delivers a copy to the engineer; therefore, it is established that it is a communication of record. Carrier cannot deny that it directly affects -- in fact, controls -- the movement of trains. It is, therefore, established that we are here concerned with a communication of record directly controlling and affecting the movement of trains.

Carrier attempts to connect the occurrences with Section 2 of the Addendum No. 1. This section quite clearly covers "telephone conversation." This term as used in agreements or interpretations certainly does not include recorded orders, messages or other instructions. In another dispute between the parties on the Chesapeake District of this Carrier now before your Board under Docket TE-10339, Carrier makes an all-out attempt to prove that the conductor in that case did not copy the work permit contending that the copying or non-copying of the work permit is the deciding point. Here, we have the Carrier faced with a situation where it cannot deny that the work permit was copied, taking the position that its still just "conversation." Further, in Section 2 of the Addendum, the subject matter of the excepted conversations does not apply to the receiving, copying and delivering of work permit orders. It does mention "work," but the work there referred to is the work to be performed at a station such as switching or the picking up and setting out of cars; it mentions the reporting clear of main track, not directly involved here; it mentions permission to occupy main track, which refers to again using the main track after having completed work on auxiliary tracks; it mentions permission to cross from one main track to another, not directly involved here. Truly, there is nothing in Section 2 of the Addendum which has any application to the circumstances here involved. Section 2 contains all

the exceptions when no emergency exists; therefore, we have developed and established the following:

1. The work here involved is covered by the scope of the agreement.

2. It is not excepted in any supplementary agreement or understanding.

It naturally follows that the Agreement was violated which calls for sustaining award.

Carrier also injects its unilaterally conceived operating rules into the dispute, contending that the entire performance was in compliance with the operating rules, apparently with the conclusion that if it does not violate the operating rules it does not violate the Agreement rules. Consideration of operating rules in a dispute of this nature can sometimes be of value in determining the method of operation and the desire and purpose of the Carrier as to the function of employes in performing work. However, in considering operating rules, they must be properly evaluated and it must always be remembered that such rules are a product of the Carrier and can be changed at will by the Carrier. At any point where the operating rules of the Carrier conflict with the rules of the collective bargaining agreement, the operating rules must yield. If this is not so, then all collective bargaining as required by the Railway Labor Act is a farce. A carrier could on the one day enter into an agreement with its employes and on the next nullify all that it had agreed to by amending or changing its operating rules. Your Board has ruled on this subject several times. In Award 6678, it was said:

"Conceding therefore that the Carrier was in compliance with its operating rules, the fact remains

that there is a conflict with the operating rules and the agreement with the employes, the operating rules must yield. See Award 5871."

Award 7770 also upholds the same principle.

Carrier, realizing the weakness of its position, complains that it is being unfairly treated because no claims were filed in the past when it violated the Agreement in the same manner. It contends that because it has violated the Agreement without detection in the past it now has the right to continue the violations without protest or claim on the part of the Employes. In other words, it invokes the doctrine of "past practice." There was been a tendency in some awards of your Board to render a decision on purely local practice which we believe is contrary to purpose and intent of the Railway Labor Act in establishing class and craft representation on the railroads of this country. Apparently, a very important consideration was overlooked in such awards. That is, all tribunals charged with deciding disputes of this nature have held that communications work -- the work in connection with transmission and reception of messages, orders and reports of record -- is the peculiar province of the telegrapher class, and that under agreements like the one here involved such work belongs to telegraphers with only such exceptions that have been specifically agreed to by the parties or have been promulgated by tribunals of competent authority. Such exceptions most frequently are because of emergency conditions.

The definition of the term "message, orders, and reports of record" was pretty well settled in Interpretation No. 4 to Supplement No. 13, to General Order No. 27. Awards 4516 and 6419 clearly state the rights of telegraphers to communication work. Even though some awards deviate from the

general pattern, the preponderance of opinion holds that communication of record work, of which train orders is the best example, belongs exclusively to the telegraphers. The awards which deviate from the pattern are based upon a mistaken conception of the value of "custom and practice."

In many of the awards the traditions, customs and practices of the railroad industry as a whole are looked upon as determining the intent of universal scope rule classifications such as "telegraphers", "telephone operators", etc. But some look only to practice on a particular railroad. The first course is the only one by which a common meaning can be applied to the common term found in scope rules of a craft or class with the several carriers. It is quite clear that this view is the only one which can be supported by reference to the history of scope rules. This was the intent and purpose of the congress the United States when it amended the Railway Labor Act to establish the National Railroad Adjustment Board. In the case of Slocum vs. Delaware L. & W. Co. 339 U.S. 239; 94 L. Ed. 795, the Supreme Court of the United States said:

> "The Act thus represents a considerable effort on the part of Congress to provide effective and desirable administrative remedies for adjustment of railroad-employee disputes growing out of the interpretation of existing agreements. The Adjustment Board is well equipped to exercise its congressionally imposed functions. Its members understand railroad problems and speak the railroad jargon. Long and varied experiences have added into the Boards' initial qualifications. Precedents established by it, while not necessarily binding, provide opportunities for a desirable degree of uniformity in the interpretation of agreements throughout the nations's railway system." (Emphasis ours.)

Thus the Supreme Court has decided that the purpose and intent of Congress in establishing the Adjustment Board is to provide a degree of uniformity throughout the nation in the interpretation and application of agreement rules.

The present Scope Rule has not been fundamentally changed down through the years and has the same meaning as that of Supplement No. 13 to General Order No. 27 of the United States Railroad Administration. This directive, along with others issued by the body, delineated the rights of employes and applied to the entire industry on a national basis. It was the intent and purpose to recognize and preserve the right of employes of the various crafts and classifications to perform the work which was generally recognized as being the work of such class of employes. By "generally recognized", we mean in the entire industry and not a small portion of it. Decisions which consider only local custom and practice are not necessarily sound. Award 4356 deals with the differentiation between general and local recognition.

Awards 1671, 2926, 3979, 4900, 5872, 5877, 5992, 6840 deal specifically with the effective custom and practice. Also, in Award 5107 it was said:

> ". . . .If the meaning of the rule be clear and certain, employe acquiescence in a contrary practice from now to kingdom come will not nullify its rights thereunder even though they may be estopped in their rights to retroactive pay for its violation, (Awards 4157, 4129, 4154)."

Briefly, our position is: That, based on the historical tradition, custom and practice throughout the entire railroad industry, the extent of the Scope Rule has been determined

and its meaning is clear and unambiguous. Consideration of this claim on this basis can leave no doubt that telegraphers have the exclusive right to the work of handling messages, orders and/or reports of record and that a local practice to the contrary does not change that right.

Rule 6 of the Agreement provides for the payment of a call. Rule 6 reads as follows:

> "When notified or called to work outside of established hours, employes will be paid a minimum allowance of two (2) hours at overtime rate, and if held on duty in excess of two (2) hours, time and one-half shall be allowed on the minute basis."

Carrier, needing another "crutch" to support its weak position, appears to doubt, without forthrightly saying so, the advisability of referring this dispute to your Board due to the fact that the occurrences upon which the claim is based took place in Canada. There is no good reason to challenge the jurisdiction of your Board. The instant claim is based on a violation of an agreement negotiated and signed in the United States pursuant to the provisions of the Railway Labor Act. Rule 38 of the Agreement reads as follows:

> **"RULE 38 - EFFECTIVE DATE AND CHANGES**
>
> This agreement shall be effective September 1, 1949 (except rates, which are as of February 1, 1951), superseding all other rules, agreements and understandings except those carried as addenda to this agreement, and shall continue in effect until changed in accordance with the provisions of the Railway Labor Act as amended."

Addendum No. 1, relied on by the Carrier, was negotiated and signed at Detroit, Michigan. Article V of the August 21, 1954 Agreement, dealing with the handling of claims and grievances, provides in Section 1(c) for the progressing of unsettled disputes to the National Railroad Adjustment Board.

The agreements apply to all employes in the class and craft covered at all stations and locations on this Carrier's lines. Your Board accepted jurisdiction in similar circumstances and handed down Awards 6155 and 7061.

Employes have clearly shown that the work here involved is covered by the Scope Rule of the Agreement and is reserved to employes under the Agreement, that the agreed-to exceptions do not include this work and that the rules of the Agreement provide for the payment requested. A sustaining award is in order.

(Exhibits not reproduced.)

CARRIER'S STATEMENT OF FACTS: The submission of Carrier in this case is made pursuant to request of A. Ivan Tummon, Executive Secretary, National Railroad Adjustment Board, Third Division, in his letter dated January 22, 1959. The submission of Carrier in this case is made without admitting that the Third Division, National Railroad Adjustment Board, has jurisdiction or should docket this dispute.

The incidents upon which complaint is based occurred on the Canadian Division of this Carrier, in the Province of Ontario, Dominion of Canada. The operations of this Carrier

in Canada are not subject to the Interstate Commerce Act. (See First division Award 915 and reference to Railway Labor Act therein.)

The train operations here involved were on what was originally The Amherstberg, Lake Shore and Blenheim Railway Company, The Lake Erie, Essex and Detroit River Railway, and The Erie and Huron Railway Company, all of which companies were incorporated by Acts of Canadian Government authorized to construct lines of railroad which were subsequently merged. The Lake Erie and Detroit River Railway, a Dominion of Canada Corporation, confirmed by Act of Canadian Parliament. Canadian Order in Council P.C. 7814 approved, and an Act of Parliament assented to ratification of lease of these amalgamated roads then known as the Lake Erie and Detroit River Railway to the Pere Marquette Railway. Upon merger of the Pere Marquette Railway into the Chesapeake and Ohio Railway, June 6, 1947, the latter succeeded to the rights of the Pere Marquette under the lease.

Carrier's railroad operations in Canada are subject to the provisions of the Railway Act of Canada and Regulations of the Board of Transport Commissioners of Canada. Employer-employe relations in Canada are subject to applicable Dominion and Provincial laws as to regulations of appropriate agencies of the Dominion and Provinces.

Claimants in the dispute of the Organization here seeks to subject to your Board are covered by a collective bargaining agreement, which, insofar as it applies to employes in Canada, is subject to The Industrial Relations and Disputes Investigation Act of Canada. These claimants are Canadian citizens residing in Canada, assigned to work exclusively within Canada on all dates of claim and have seniority only in Canada.

POSITION OF CARRIER:

1. It is the position of Carrier in this case that the dispute here referred to your Board should not be docketed by your Board. It is our further position that should your Board see fit to docket this case it must be dismissed by your Board for lack of jurisdiction.

The claims here presented for your consideration arose in Canada and Carrier states that accordingly, regardless of any agreements, understandings, interpretations, or practices of the parties, or regardless of any argument or data submitted by either party in this dispute, or of any argument or data either party should fail to bring before you, your Board is without authority to make any decision in this case other than to dismiss it for lack of jurisdiction.

The Government of the United States of America and the Constitution which gives that Government authority are not intended to govern labor-management disputes involving foreigners living and working in foreign countries of the world and indeed any gesture by either in that direction would obviously be idle.

A tribunal such as the National Railroad Adjustment Board derives its jurisdiction from the government which creates it, and no jurisdiction which is unfounded in law may be conferred upon a tribunal merely by consent of parties to an agreement. Page v. Wright, 116 F.2d 419.

Carrier submits that as Congress has no authority to extend the jurisdiction of the Railway Labor Act beyond the territorial limits of the United States to the point of exercising control over labor-management disputes arising out of railway operations entirely within Canada and involving only Canadian

employes living and working in Canada, it follows that your Board is without jurisdiction in this case.

> ". . . An extraterritorial effect is not to be given statutes by implication. Accordingly, a statute is prima facie operative only as to persons or things within the territorial jurisdiction of the lawmaking power which enacted it. . . ."

Am. Jur., Statutes, § 487.

Sandberg vs. McDonald 248 U.S. 185, 195.

> "Legislation is presumptively territorial and confined to limits over which the lawmaking power has jurisdiction."

Carrier submits that the question of whether it was the intent of Congress that the Railway Labor Act operate beyond the territorial limits of the United States has been before the Courts on two occasions. In both cases the Courts have held the Act has no extraterritorial application.

In the first of these cases, Air Line Dispatchers Association vs. National Mediation Board, 189 F. 2d 685, this question was raised because the Mediation Board dismissed an application looking to certification under the Railway Labor Act. The facts reveal that the Mediation Board refused certification because the airline involved and its employes were based outside of the continental United States. It reasoned that, under the circumstances, certification would give the Act extraterritorial jurisdiction -- something which it concluded was never intended by congress. The court agreed, and in its opinion gave the following reasons:

"Turning to the merits of the decision made by the Board, we agree that the Act does not extend to an air carrier and its employes located entirely outside the continental United States and its territories. The basic statute, the Railway Labor Act, defines the carriers to which it applies as 'any . . . carrier by railroad, subject to chapter 1 of Title 49/Interstate Commerce Act/. . . .' (45 U.S.C.A. § 151, First.) 'Employe' is defined as a person in the service of a carrier who performs any work defined as that of an employe or subordinate official in the orders of the Interstate Commerce Commission. (Id. § 151, Fifth). The Interstate Commerce Act is limited in its application to common carriers engaged in interstate and foreign transportation on 'but only insofar as such transportation . . . takes place within the United States.' (49 U.S.C.A. §§ (1), (c), 1 (2).) THERE IS NO QUESTION THAT AS APPLIED TO RAILROAD THE RAILWAY LABOR ACT DOES NOT EXTEND BEYOND THE UNITED STATES. By title II (45 U.S.C.A. § § 181-188), approved April 10, 1936, the Act was extended, with certain exceptions not now material, to common carriers by air 'engaged in interstate or foreign commerce' and their employes. (45 U.S.C.A. § 181). But Section 202 of said Title II provides: 'The duties, requirements, penalties, benefits, and privileges prescribed and established by the provisions of Title I of this Act, except section 3 thereof, shall apply to said carriers by air and their employes in the same manner and to the same extent as though such carriers and their employes were specifically included within the definition of 'carrier' and 'employe', respectively, in section 1 thereof.' (45 U.S.C.A. § 182.)

The Board therefore properly concluded that the territorial scope of the Act in its application to air transport was like that applicable to railroads. The legislative history, though somewhat ambiguous confirms this view.

* * * * *

Legislation is ordinarily to be given only domestic application. Foley Bros. vs. Filardo, 1949, 336 U.S. 281, 69 S. Ct. 575, 93 L. Ed. 680 [16 Labor Cases 165,014]. Explicitness is to be expected from Congress if its intention is to extend the legislation extraterritorially. Ibid.

The interwoven structure of the original Act and the amendments respecting air transportation do not supply such explicitness. On the contrary, as said in the well reasoned Determination under review, "The Board fails to find any specific direction in the Act, as amended, permitting it to extend its jurisdiction beyond the continental limits of the United States and its territories." (Emphasis ours.)

The second of these cases, Air Line Steward's Association vs. Northwest Airlines, is reported in 35 labor Cases, paragraph 71, 595. All that need be said in connection with this case is the Court agreed in full with the conclusions set out in the opinion of the Air Line Dispatcher's Case. Supra Language indicating this approval can be found in the following paragraphs:

> "The question is not wholly one of first impression. In Air Line Dispatchers Association vs. National Mediation Board, 189 F. 2d 635 [19 Labor Cases 1 66,340], cert. den. 312 U.S. 8-9, the Court of Appeals for the District of Columbia concluded that the National Mediation Board had properly dismissed an application looking to certification under the Act. . .

* * * * *

> Petitioner would distinguish the Air Line Dispatcher's case, supra, upon the grounds that the air carrier involved operated solely outside the United States and its territories and that the employes involved were not members of aircraft crews. . . .
>
> * * * * *
>
> An Act of Congress is intended to apply within the territorial jurisdiction of the United States, unless a contrary intent appears. The instant case has to do with regulating labor conditions, beyond the bounds of the United States. The intention so to do cannot be attributed to Congress in the absence of a clearly express purpose."

Carrier submits the United States Railway Labor Board held in its decisions Nos. 380 and 394 as follows:

> "The employe in question being engaged in work outside of the boundaries of the United States and the Labor Board being of the opinion that the authority vested in it by the Transportation Act, 1920, does not extend beyond the territorial limits of the United States, the Labor Board decides that it has no jurisdiction in this dispute and the case is therefore removed from the docket and the file closed."

This Carrier has previously been advised in another case by the National Railroad Adjustment Board, specifically by the First Division thereof in its Award 11151, made without referee:

"Due to the fact that this claim arose in the dominion of Canada it is held this division has no jurisdiction."

Awards 11149 and 11150 of the First Division, National Railroad Adjustment Board, each appear to involve an instance wherein all parties to a dispute arising in Canada had agreed to apply jointly to the National Railroad Adjustment board for decision. Irrespective of such agreement as reflected by joint submission of these disputes, the board, again without referee, decided it had no jurisdiction. First division Award 14082 dismissed a foreign dispute for lack of jurisdiction.

Petitioner in this case will no doubt cite Third Division Award 8693 as evidence your Board under certain conditions has presumed to take jurisdiction of a Canadian dispute. Carrier submits first that Award 8693 appears to be clearly in error in finding that jurisdiction may be assumed by reason of failure of respondent to raise the question. Spencer vs. Patey 243 F.555. Carrier submits further, however, this decision would not be pertinent in any event as in the instant case respondent does raise the question of jurisdiction.

Petitioner in this case may also cite Second Division Award 3093. Carrier submits that the majority in that case relies upon nothing positive in support of jurisdiction other than the fact the parties to the dispute by their voluntary agreement gave jurisdiction to the National Railroad Adjustment Board. Need Carrier again here refer to court citation we have previously given which renders any such agreement a nullity? Does not simple logic dictate that your board in these circumstances none-the-less finds no authority for expenditure of United States funds in the disposition of a foreign dispute?

Does your board presume that in a dispute submitted to you ex parte any decision made without jurisdiction can be final and binding, particularly under conditions such as here, where the losing party may refer the dispute to the foreign agency having authority to dispose of it?

The only question appearing worthy of consideration of any kind in this case is one of whether your Board may assume authority for expenditure of the funds of the people of the United States to the extent involved in docketing this dispute in order to render an award finding you are without jurisdiction, or whether on the other hand the Secretary should simply be instructed to inform petitioner as economically as practicable that the Third Division, National Railroad Adjustment Board, has no jurisdiction and accordingly declines to handle disputes arising in foreign countries of the world.

It is noted the majority in Second Division Award 2806 saw fit to docket a foreign dispute and to pass on its merits in Award 3093, pointing out that an agreement between the parties provided that "unresolved disputes on the property MAY be referred to the National Railroad Adjustment Board." Carrier points out that a similar agreement exists between the parties to the instant dispute. Carrier points out further, however, first, the word MAY is permissive, not mandatory, this in view of alternatives under part 5 of the agreement referred to (Article V of the National Agreement of August 21, 1954). (Emphasis ours.)

Carrier submits that in the instant case, the same agreement which provides that an unadjusted dispute may be cited with your board also provides:

> "6. This rule is not intended to deny the right of the employes to use any lawful action for the

> settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier."

and that "lawful action" in the instant case is under foreign government regulations.

The United States Hours of Service Act defines its jurisdiction as follows:

> "The provisions of (this Act) shall apply to any common carrier or carriers, their officers, agents, and employes, engaged in the transportation of passengers or property by railroad in the District of Columbia or any Territory of the United States, or from one State or Territory of the United States or the District of Columbia to any other State or Territory of the United States, or from one State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, or from any place in the United States to an adjacent foreign country, or from any place in the United States to an adjacent foreign country, or from any place in the United States through a foreign country to any other place in the United States. The term 'railroad' as used in (this Act) shall include all bridges, and ferries used or operated in connection with any railroad, and also all the road in use by any common carrier operating a railroad, whether owned or operated under a contract, agreement, or lease; and the term 'employes' as used in (this Act) shall be held to mean persons actually engaged in or connected with the movement of any train."

It must be accepted as agreed and understood that this Act, where applicable to train order operators in the United States, has no application of any kind at any time to employes of this carrier in Canada.

It must also be acknowledged that the decision of the United States Supreme Court in New York Central Railroad Company vs. Chisholm, 268 U.S. 29 held that the Federal Employer's Liability Act has no application in the instance of an American plaintiff vs. an American railroad corporation operating also in Canada, in the instance of a fatal injury occurring in Canada. It appears crystal clear that the doctrine laid down in that case applies equally to the Railway Labor Act.

The decisions of United States courts to which we have referred holding that the Railway Labor Act has no application in foreign countries and entirely in harmony with the self-evident fact that any free and independent nation has jurisdiction over operations of any kind within that nation, involving its citizens, living and working within the territorial confines of that nation.

The National Mediation Board has previously declined to take jurisdiction in the matter of a representation dispute involving our road conductor in Canada. See Carrier's Exhibit D attached, copy of letter dated March 11, 1944 from Mr. Thomas E. Bickers, Secretary, National Mediation Board, to Mr. A. F. Whitney, referring to Mediation Board Case R-1161 in which Mr. Whitney is advised that, "the Board cannot vote persons employed in foreign countries." Since it has already been established that part of the Railway Labor Act is not applicable to employes in Canada, it would be incongruous to

hold that another section of the Act is applicable to those employes.

Of primary significance, however, is Carrier's Exhibit E, attached, copy of CERTIFICATION OF BARGAINING REPRESENTATIVES for road train conductors, covering the same group as referred to in the paragraph above, MADE BY THE CANADIAN WAR-TIME LABOUR RELATIONS BOARD, and issued at Ottawa under date of July 20, 1945.

Your Board will find that at the present time the Industrial Relations and Dispute Investigation Act of 1948 (Canadian Dominion law) authorizes the Labour Relations Board to certify bargaining representatives as well as to revoke such certification. YOUR BOARD WILL ALSO FIND THAT THE SAME ACT PRESCRIBES THE PROCEDURE TO BE FOLLOWED IN THE SETTLEMENT OF DISPUTES.

2. As stated in Carrier's opening statement of fact, this submission is made without admitting that the Third Division, National Railroad Adjustment Board, has jurisdiction or should docket this dispute. any and all discussion of the merits of these claims by Carrier in the following paragraphs is without admitting your Board has jurisdiction or should docket this case, and is without prejudice to our primary position argued at length under Item 1 above.

It is Carrier's position that the rules of the Telegrapher's Agreement are not in any way violated by the procedure here complained of.

Form CC-4, Work Permit Card, which the Organization here refers to as a work permit "order", is a printed form, size 3 inches by 4 inches, which has been furnished to all

conductors operating in CTC territory since June 1, 1928, when the first CTC operation went into effect on this Carrier. Photo copy of this form is attached hereto marked as Carrier's Exhibit A. This form was also placed in dispatcher telephone boxes which are located at points specified in the timetable, adjacent to the tracks. The operating rules applicable to trainmen, enginemen, telegraph operators and others in the United States were then revised by a supplemental book of operating rules effective June 1, 1928, which supplement governed our CTC operation.

Rule 412 of the supplemental book of operating rules issued to all operators at that time provided as follows:

> "When obtaining authority from train controller to work upon main track, conductor must fill in blank spaces on work permit card, form CC-4, as authorized by train controller and give copy to engineer. Conductors must supply themselves with blank form CC-4 to be used for this purpose."

At that time the basic collective bargaining agreement between this company and its telegraphers represented by the Order or Railroad Telegraphers was the agreement subsequently filed with your Board which became effective May 16, 1927. Article XVII of that agreement contained precisely the same title and text as was contained in the subsequent basic agreement Rule 25, which was effective September 1, 1949, except that the 1949 basic agreement made reference to a joint agreement with several crafts in 1943 and carried as Addendum No. 1 to the 1949 basic agreement.

CTC operation has been in effect on this Carrier in the United States since June 1, 1928 and no claim of any kind has been progressed to the highest appeal officer claiming

telegrapher's schedule rules have been violated by road conductors complying with the operating rule above quoted.

CTC operation was first placed in effect on our canadian Division between april 1, 1957 and January 9, 1958. Our Canadian operating rules were thereupon supplemented to provide for the same use of the identical form of which had been in effect in the United States since June 1, 1928.

In 1943 a Memorandum of Understanding was entered into between the Carrier and representatives of several labor organizations, including the Order of Railroad Telegraphers, to the effect that train and engine service employes would not ordinarily be required to copy "train orders", "clearances" or "written messages". "Train orders" were defined in this Memorandum of Understanding as being "(Forms 19 and 31)". "Clearances" were defined as being "Form 'A'". This Memorandum also provided that trainmen and enginemen would not block or report trains; however, we do not understand the two details to be here involved. This Memorandum did allow trainmen and enginemen to copy train orders or written messages under certain emergency conditions.

The instant claims are predicated on the argument that the conductor filling out form CC-4 in Canada is copying a train order and a written message as contemplated in the 1943 Memorandum, under circumstances when no emergency existed. It is also alleged Rule 25 (text of which had been in effect during the life of CTC in the United States) was being violated in Canada.

Carrier's Exhibit B attached is copy of final appeal letter to the highest officer designated by Carrier to handle disputes. This gives the substance of the argument advanced in support of one of the three claims here involved on the property.

Carrier's Exhibit C attached is copy of our final declination letter in the same case, dated April 23, 1958. Similarly, declinations were made in the instances of the other two claims here tendered your Board. Carrier's final declination letter quotes Canadian Uniform Operating Rule 266 and the pertinent portion of Bulletin No. 54, both of which were placed in effect in CTC territory in Canada when CTC operation began in that territory.

The conductor in the case of each claim here tendered to your Board did not use a telephone in a telephone or telegraph office, as contemplated in Telegrapher's Rule 25, to contact the train controller. The conductor used a dispatcher's phone located in phone box near the tracks and installed for the use of trainmen and enginemen. Neither the conductor nor other train or engine crew member filed claim or complaint of any kind in these cases under the 1943 memorandum.

The train controller in each case here tendered was a dispatcher. On this property the work of operating CTC machines is assigned to either telegraphers or dispatchers, neither craft having exclusive jurisdiction of this work. Telegraphers handling CTC machines do so under the direction of a dispatcher.

Concerning alleged violations of the Memorandum, Carrier points out that the work here involved is specifically excepted from any coverage by this agreement by Section 2 thereof. This section provides that direct conversation with the train dispatcher about work, permission to occupy main track or reporting clear of main track will not be construed as a violation of the Memorandum. It is immaterial whether the conductor works directly with the dispatcher on these matters under emergency conditions or otherwise. YOUR BOARD

WILL NOTE THE ORGANIZATION HERE TAKES THE POSITION THIS MEMORANDUM WAS VIOLATED AS THERE WAS NO EMERGENCY.

Carrier submits that road conductors operating in CTC territory on this property at all times between June 1, 1928 and April 29, 1943 (the effective date of Memorandum of Understanding referred to as Addendum 1) filled in and used these forms regularly and that these conductors used the form on April 29, 1943 and thereafter, without protest or claim by Telegraphers, or other crafts under this Memorandum in the United States. Does this not indicate conclusively that all parties to the train order memorandum effective April 29, 1943 well understood that a conductor making out a form CC-4 was not copying a train order or written message as contemplated by Section 1 of this regulation, but that he was rather securing permission to occupy main track as permitted under Section 2 of this Memorandum?

If the Memorandum of April 29, 1943 was intended in any way by any party to this agreement to stop the use of form CC-4 by road conductors, then it appears one or more of the five labor parties to it would have taken action to stop such use once this Memorandum was placed in effect.

In 1945 the telegraphers national organization negotiated a rest day agreement with carriers generally, including this carrier. No change of any kind in connection with our form CC-4 was made at that time.

In 1949 when the parties to the current basic agreement undertook to negotiate it they did so in the light of a practice of more than twenty years whereby road conductors regularly filled in form CC-4 on CTC territory. The parties negotiating well understood that during all that twenty years Article XVII

of the agreement of May 16, 1927 was in effect, and that the language of this rule did not deter road conductors from filling in form CC-4. The parties none-the-less settled for the same language in the train order rule of the September 1, 1949 as was contained in the agreement which preceded it. Moreover, the agreement effective September 1, 1949 was negotiated and signed in the light of the fact that this practice of conductors filling out these forms had then continued for some six years under the 1943 Memorandum. This practice continued for another period of more than nine years before claim was progressed.

Carrier points out that in view of the facts recited above, if your Board were able to properly assume jurisdiction in this case the claims would stand to be declined under many prior awards of your Board, including at least two involving the Chesapeake and Ohio Railway (Chesapeake District).

Pertinent quotations from a comparative few of these awards are as follows:

AWARD 1145 (I. L. Sharfman)

The Order of Railroad Telegraphers vs.
The Chesapeake and Ohio Railway Company.

"In addition, it must be noted as of substantial significance that while the current Agreement dates from 1927, the present form of line-up from 1931, and the precise method of handling here involved at least from 1934, this is the first claim submitted by the employes questioning the propriety of the established practice. Although it must be conceded that the long continued acquiescence of the employes cannot operate to alter the scope rule of the Agreement, such acquiescence is clearly relevant to a determination of the intent of the parties

as to the applicability of the scope rule to the situation here in dispute."

AWARD 5582 (Francis J. Robertson)

**The Order of Railroad Telegraphers vs.
The Chesapeake and Ohio Railway Company.**

"Since 1912 and up to the date of Award 1145 at least eleven Agreements were entered into between this Carrier and the Telegraphers and since the latter date the Agreement affecting this dispute, effective October 16, 1947 has been consummated. These Agreements carried forward the same Scope Rule without material change with respect to classifications covered. Thus, in the instant case we are confronted with a factual situation not unlike that which faced us in Award 4791. What we had to say there is equally applicable here and the principles which formed the basis for our Opinion in that case are controlling here."

AWARD 4791 (Francis J. Robertson)

"We are fully cognizant of, and are in agreement with, the many Awards of this Board holding that repeated violations of an Agreement do not change it, or stated differently, that a long existing practice does not change the clear terms of an Agreement. However, it is also a well-established rule of contract construction that the re-adoption of a rule generally has the effect of re-adopting the mutual interpretation placed upon it by the parties themselves. In fact, it evidences an intent not to change the existing interpretations. Both parties at the time of the adoption of the Scope Rule into the current Agreement were fully cognizant of the fact that under the previous Agreements the work of obtaining train lineups by telephone was not being treated as exclusively reserved to the

classes of employes listed therein. Consequently, it must be held that the readoption of the rule, in the instant Agreement as well as in other earlier Agreements, was not intended to change the meaning previously given to it. It follows that under this Agreement on the property it is not a violation of the Scope Rule of the Telegraphers' Agreement for the section foreman to have obtained the lineups in question by telephone from the dispatchers."

AWARD 4922 (Robert O. Boyd)

". . . and the dispatchers, for as many as 10 years, have performed the work complained of when the Side-Wide operator was not on duty. Notice should also be taken of the fact that no objection to this was made by the Organization for eleven years after the Agreement of 1936 was entered into; and it was not discussed when the Agreement of March 1, 1945, relating to rest days, was negotiated.

AWARD 5101 (Jay S. Parker)

"In between the two extremes to which we have referred, however, is a line of decisions basically founded upon the fundamental and universally recognized legal principal (see Awards 3727, 2436, 1435, 1397, 1257 and 507) that where a contract is negotiated and existing practices are not abrogated or changed by its terms such practices are enforceable to the same extent as the provisions of the contract itself."

"The record in the instant case makes it clear, as we have heretofore indicated, that for at least forty years during the portion of the day involved the work in controversy has been performed by hostlers and has never, either at Sausalito or Tiburon, been performed by Clerks. That situation existed when the contending Organization negotiated the first

Agreement effective April 1, 1926. It prevailed at the time of the negotiations resulting in the Memorandum Agreement, effective December 26, 1946, amending diverse rules of the Agreement, including the Scope Rule. It continued during the negotiations which brought about the Memorandum Agreements of July 20, 1949 and July 31, 1950. Notwithstanding the practice was not even mentioned, referred to or abrogated by the terms of any of these Agreements. Indeed it was not until March 23, 1950, that there was any complaint thereof or effort made to change it. The Organization seeks to avoid the effect of this delay by the assertion it had no knowledge whatsoever of the alleged violation until the claim was first submitted by its representative. That is not a meritorious or valid excuse. In Award 1609 and many others, to which we need not refer, this Division of the Board has held that under facts similar to those existing here the Organization is chargeable with knowledge of the working conditions in operation on the property and that we must assume it had knowledge of what is now claimed to be violation of the Agreement."

AWARD 5747 (Adolph E. Wenke)

"When a contract is negotiated and existing practices are not abrogated or changed by its terms such practices are enforceable to the same extent as the provisions of the contract itself."

AWARD 6007 (Fred W. Messmore)

"Where a contract is negotiated and existing practices are not abrogated or changed by its terms, such practices are enforceable to the same extent as the provisions of the contract itself. See Award 5404, and awards cited therein on this principle. See also Awards 5564 and 2436."

AWARD 6112 (Fred W. Messmore)

"When a contract is negotiated, and existing practices are not abrogated or changed by its terms, such practices are enforceable to the (sic) extent as the provisions of the contract itself. See Award 5747. There are other awards of this Division to the same effect too numerous to cite.

AWARD 6379 (Peter M. Kelliher)

"The long established past practices were not changed by the Collective Bargaining Agreement and in fact were continued for many years after the Agreement and they are enforceable to the same extent as the provisions of the contract itself. See Awards 5331 (Robertson), 5768 (Smith), 4889 (Carter) and 4193 (Carter.)"

AWARD 6996 (Edward F. Carter)

"Historically and traditionally the work has been that of the Train Dispatchers in the Nashville Train Dispatcher's office. By their own actions and by their own words over a period of thirty-five years or more, they have treated the disputed work as that of Train Dispatchers. Tradition has fixed the status of the parties to this dispute. We must conclude that the parties through the years intended to limit any exclusive claim to the disputed work on the part of the Telegraphers. We adopt the reasoning contained in Award 4922. A denial Award is required."

The Third Division is by no means alone in rendering consistent decisions such as cited above. See First Division, National Railroad Adjustment Board Awards 11555, 11583 (Scott) 13015 (Jackson), 13701 (Robertson), 1377 (Donaldson), 14577 (Coffey) and 14683 (Smith).

Carrier submits that in view of the above, any award by your Board on merits in this case must be made in the light of these facts: Operating rules in effect on United States Divisions of this Carrier since 1928 have required the conductor to fill in form CC-4 and the conductor has done so since that date. During that time the employes have revised and/or re-negotiated rules covering working conditions in at least three instances wherein a national officer of the Organization as well as the General Chairman participated. Those instances were, first, negotiation of the so-called train order memorandum in 1943, printed as Addendum No. 1 in the basic agreement effective September 1, 1949, copy of which has been furnished to your Board; second, negotiation of the so-called rest day rule in 1945 in which case the General Chairman on this property was assisted by a national officer, and third, re-negotiation of the entire basic agreement of May 16, 1927, in which negotiation the General Chairman was again assisted by a national officer of the Organization. Our practice of requiring conductors operating in CTC territory to fill in form CC-4 was not changed in any way as a result of these negotiations. Other labor organizations parties to the "Addendum No. 1" memorandum have filed no claims or protests because of conductors filling out this form during the sixteen years this memorandum has been in effect. Many awards of this Division made apart of the record in this case accordingly point the way to a decision denying the claims here before you.

Carrier submits there is a very good reason the use of form CC-4 has gone unchallenged for some twenty-nine years, during the entire life of CTC operation on this carrier, under two basic agreements, and under a special agreement dealing specifically with the matter of "written messages" and "train orders". The employes of all crafts have, with the exceptions

contained in the instant claims, appreciated from the first after having been instructed in the basic operation of CTC that here is a method of operation which does not require train orders, and that form CC-4 does not serve the purpose of a train order. The train controller serves those purposes of a train order which are not served automatically by automatic blocks when this train controller blocks the levers operating signals at each end of the territory "given" to the work extra in any case. There is no need to give orders to any train or trains indicating that the work extra is given exclusive rights over all trains between specified points and for specified periods of time. Automatic block signals do this, and as a precaution the controller has frozen signals to protect the extra and will keep these signals frozen until the extra has reported clear of working limits. The conductor of the work extra simply notes on form CC-4 pertinent information for his use, which constitutes specific time and place information concerning the "right to occupy main track" which he has secured from the dispatcher.

Other trains in the territory affected by a work extra holding the track are governed by signals. They receive no copy of Canadian uniform code operating form H (5) order, (United States form S-H (4), when a work extra is given exclusive right over all trains). Up to this time the employes have recognized that the main purpose of the CC-4 is to insure that the work extra will report into clear promptly and thus avoid delay to other trains, it being assumed the controller will thereupon promptly remove blocks.

Up to the present time our employes have recognized CTC as:

> ". . . a system of railway operation by means of which the movement of trains over routes and

> through blocks on a designated section of track or tracks is directed by signals controlled from a designated point, superseding time table superiority of trains, and without requiring the use of train orders." (Emphasis ours.)

and it is pointed out your Board in its Award 4452 recognizes the above quoted.

In summary, Carrier submits that as previously pointed out this Carrier has been advised by an award of the National Railroad Adjustment Board on the specific question of whether the National Railroad Adjustment Board has jurisdiction in the matter of a labor-management dispute incident to the operations of this Carrier in Canada, and occurring in that country. The previous decision given this Carrier by the National Railroad Adjustment Board, in response to the argument of this Carrier that said Adjustment Board was without jurisdiction, was made by the First Division of this Adjustment Board in its Award 11151, without referee. This decision was that the Board did not have jurisdiction.

Carrier submits that in such circumstances the following language of your Board, sitting with Referee Coffey, in your Award 6935 appears apropos:

> "If, as we maintain, our awards are final and binding, there must be an end sometime to one and the same dispute or we settle nothing, and invite endless controversy instead."

Data submitted by the Carrier in this case in support of its argument that your Board does not have jurisdiction have not been placed before the Employes in handling this case on the property. This carrier had no indication of any kind this

dispute would be progressed to your Board by the Employes until receipt of notice from the Secretary of your Board, herein referred to.

(Exhibits not reproduced.)

OPINION OF BOARD: Carrier has submitted what is in effect a motion to dismiss for lack of jurisdiction. The stated grounds are:

> 1. The employes named in the claim are resident of and employed in Canada. They, in personam, are not within the Board's jurisdiction. They are indispensable parties to the proceedings; and
>
> 2. The alleged violations of the Agreement occurred within the Dominion of Canada; therefore, beyond the jurisdiction of this Board.

I.

JURISDICTION

A. The Indispensable Party Issue.

1. The Elgin Case.

In support of its contention that the employes named in the claim are indispensable parties, Carrier relies upon Elgin, Joliet and Eastern Railway Company vs. G. W. Burley, et al., 325 U.S. 711 (1945); reargued and affirmed, 327 U.S. 661 (1946).

In the first opinion in the Elgin case, the Supreme Court considered the question of the power of a collective bargaining representative to conclude agreements for settlement of employes' grievances and to represent aggrieved employes in proceedings before the Board. The Court ruled that the representative is not authorized, simply in the nature of the case, to settle employes' grievances. The Court went on to say, however, that express authorization by employes involved is not necessary.

In the second opinion, after reargument, the Court held that an employee who has notice of settlement negotiations conducted by the representative concerning the employes' grievances is required to take affirmative steps with regard to his right to have a voice in the settlement, or he may lose that right.

In his dissent to the second opinion, Mr. Justice Frankfurter, with the concurrence of the Chief Justice and Mr. Justice Burton, said the Court erected "a series of hurdles which will be, and we assume were intended to be, almost

impossible for an employe to clear." He characterized the employe's right to challenge the agency of the collective representative as "largely illusory (327 U.S. at p. 668). Subsequent opinions of the courts and quasijudicial bodies engaged in the field of labor relations have supported these characterizations.

The issues resolved in the Elgin case, concerned only the authority of the representative to act for the employe. It does not support Carrier's argument in this case that an employe named in a petition filed with this Board by his collective bargaining representative is an indispensable in personam party to the proceedings.

The record in the case before us raises no issue as to the representative's authority to act. It does prove that historically, alleged violations of the Agreement have been handled on the property in conferences between the employes' collective bargaining representative and representatives designated by the Carrier. In the absence of any showing to the contrary, we must conclude that the Petitioner in this case had and has the authority to act for the employes named in the petition.

2. <u>General Duties of Collective Bargaining Representative</u>

The duties of a collective bargaining representative are found in general terms in the Act.

Sec. 2. First. Imposes the statutory duty upon "employe" and "carrier" not only to make but to maintain agreements; Sec. 2. Fourth. permits the employes to discharge this duty "through representatives of their own choosing"; and, Sec. 2. Second, mandates that all disputes as to maintaining the agreement "shall be considered, and, if possible, decided, with

all expedition in conferences between representatives designated and authorized to so confer, respectively, by the carrier or carriers and by the employes thereof interested in the dispute."

In Sec. 2. First through Tenth. Congress defined the rights and duties of the parties and prescribed in general terms the accommodation of those rights and duties.

3. The Representative's Right to File a Petition

Twenty-two years ago, Mr. Justice Jackson, speaking of the Railway Labor Act, said:

> "Collective bargaining was not defined by the statute, which provided for it, but it generally has been considered to absorb and give statutory approval to the philosophy of bargaining as worked out in the labor movement is the United States." (Emphasis ours.)

The philosophy of bargaining that has been "worked out" is disclosed, for the most part, by extensive litigation involving Section 8(5) of the National Labor Relation Act, which was subsequently designed 8(a)(5) of the Act as amended. The following selected cases, however, served to demonstrate the evolving philosophy: Elgin case, supra; Ford Motor Co. vs. Huffman, 345 U.S. 330; Association of Westinghouse Salaried Employes vs. Westinghouse Electric Corp., 348 U.S. 437; Peerless Tool & Engineering Co., 111 NLRB 853, enforced 231 F. 2d 298 (C.A. 7), cert. den. 352 U.S. 893; Smith vs. Evening News Association, 371 U.S. 195.

The Westinghouse and Smith cases deal with the relative statutory rights of an individual employe and of a collective

bargaining representative to bring suit, by authority of Section 301 of the Labor Management Relations Act, against as employer for violation of a collective bargaining agreement. In the Smith case, the Court expressly overruled its opinion in the Westinghouse case. The prevailing opinion holds that either individual employes or their collective bargaining representative have standing to sue an employer for violation of a collective bargaining agreement.

In overruling the Westinghouse case, the Court in effect, endorsed the philosophy of collective bargaining spelled out, by Mr. Justice Douglas, in the dissenting opinion in the Westinghouse case. He said:

> "We make mountains out of molehills in not allowing the union to be the suing as well as the bargaining agency for its meaning as respects matters involving the construction and enforcement of the collective bargaining agreement. Individual contracts of employment result from each collective bargaining agreement. But those contracts are the resultant of the collective bargaining system, a system that continues to function and operate after the contracts are made."

While the issue in the Westinghouse case arose out of the interpretation and application of Section 301 of the National Labor Relations Act, amended by the Taft-Hartley Act and the Labor Management Relations Act we can paraphrase Mr. Justice Douglas' opinion to make it equally applicable to the Railway Labor Act. This we can do without transgression since the legislative history of the National Labor Relations Act discloses that its collective bargaining provisions were patterned by the Congress similar to the statutory scheme of the Railway Labor Act.

The concept of collect bargaining contained in the Railway Labor Act, includes of course, the negotiation of the collective agreement and the settling of the terms of individual contracts of employment which result from the collective agreement. But the collective bargaining relationship does not end there. There remains the statutory duty to "maintain agreements", and this duty is imposed upon carriers, employes and their collective bargaining representatives alike. We know that collective bargaining in the railroad industry has produced a permanent, organized relationship between the "representatives" and the "carrier", involving a day-to-day administration of the collective agreement. It involves day-to-day adjustments in the contract and other working rules, resolution of new problems not covered by existing agreements, and the protection of employe rights already secured by contract. The representative not only has the duty to negotiate collective agreements, but also the statutory obligation to police and administer the existing agreements. The administration of the collective agreement is its life and meaning.

It is now well established that the processing of disputes, in the railroad industry and industry generally, growing out of interpretation and application of agreements is a part of the collective bargaining process; and recourse to this Board to resolve and settle such disputes, in the railroad industry, is by statute the exclusive ultimate step in the process (Sec. 3. First (i) et. seq.) What the representative obtains in the collective agreement it should be entitled to enforce or defend in this forum. Were we to disallow it that standing, we would destroy the statutory scheme of the Act.

We can visualize situations where an individual employe affected by a violation of an agreement, for reasons of his own, would not initiate or join in processing a violation of an

agreement; or, a situation where no employe is singularly involved. Under such circumstances, the only way in which the integrity of the agreement can be maintained is by recognizing the standing of the representative to process the alleged violation on the property and, if necessary, petition this Board as provided for in Sec. First (i). That this is the legislative intent is made clear in Sec. 3. First. (p) which makes clear that the "petitioner" and the person [employe] aggrieved may be different parties.

Notwithstanding that a petition has been filed by the representative, an employe involved may elect to join, in personam, in the proceedings; and, should a representative fail or refuse to file a petition in a case, initiate and properly processed on the property, which an employe feels is meritorious, the employe may, of course, file with us, on his own, a petition.

The question whether the representative has authority to petition this Board does not turn on technical agency rules. We are dealing here with specialized problems in a specialized field, with a long background of custom and practice in the railroad world. The aim of the Act is a permanent conference and negotiation between the carriers on the one hand, and the employes through their statutory representatives on the other.

A carrier is under a legal duty to treat with the representative for the purposes of the Railway Labor Act. See, Virginian Ry. vs. Federation, 300 U.S. 515. Our consistent recognition of a representative as a petitioner sole, until now unchallenged, is nothing more than an emanation of the duty.

CONCLUSION

For the foregoing reasons, we find that: (1) a representative is proper party, sole, to petition this Board; and (2) an employe adversely affected by a violation of the collective agreement is not an indispensable in personam party to proceedings, initiated by his authorized statutory representative, before this Board.

B. The Issue RE: Sites of Violation

Carrier's second ground, asserted in its motion to dismiss the petition for lack of jurisdiction, is that the alleged violations occurred in Canada -- therefore, outside the Board's jurisdiction. For the most part, in support, it has advanced the same arguments, citing the same cases and authorities, as were presented in Award No. 11639.

In Award No. 11639, as here: (1) the Agreement was executed in the United States; (2) employes working in Canada were included in a single collective bargaining unit with employes in the United States, without governmental edict; (3) within the United States, Petitioner is a "representative" and Carrier is a "carrier" within the meaning of those terms as defined in Section 1. First and Sixth of the Act and both are subject to and within the jurisdiction of the Act; and (4) the employe allegedly damaged, by violation of the Agreement, worked in Canada. The facts in the instant case differ in only one material respect, which we consider, infra.

We affirm Part II of our opinion -- THE JURISDICTION ISSUE -- in Award No. 11639 and incorporate it herein by reference thereto.

It is to be borne in mind that a motion to dismiss for lack of jurisdiction is and must be addressed to the petition; not to be claim.

1. The Material Difference

In Award No. 11639, the Agreement vested holders of positions in Canada with seniority rights to positions in the United States.

The Agreement in this case, Rule 13, divides the system into two seniority districts; one covering employes in the United States, the other employes in Canada, seniority "not [to] extend between Districts. . ."

2. Carrier's Contention

Carrier contends that since the holders of positions in Canada have no seniority rights to positions in the United States, this Board is without jurisdiction to entertain a claim involving an alleged violation of the Agreements with respect to the holder of a position in Canada. To do so, Carrier argues, would be to extend the law of the United States extraterritorially.

Carrier places the emphasis on the claim of an employe to be made whole for damages resulting from an alleged violation of the Agreement -- not on the dispute as to interpretation of the Agreement.

3. The Extraterritorial Issue

We agree with Carrier that the laws of the United States may not invade the sovereignty of another nation. See the Airline cases cited in Award No. 11639. But, for reasons

hereinafter set forth, we do not agree that our interpreting the Agreement before us would be such an invasion.

4. Resolution

Carrier insists that there is no relation between a claim for money resulting from alleged violation of a collective agreement and a petition for the interpretation of a collective agreement. But surely this is to sever what is organic. It wholly disregards the nature of such a collective agreement, its implications and its ramifications.

Carrier would have us consider the Agreement not as a whole, but as two separate agreements - one for employes in Canada; the other for those in the United States. This, where the parties have agreed to a collective bargaining unit, would be destructive, obviously, of the unit; thus, an antithesis.

The gravamen of the case before us, made certain by the Act, is the settling of a dispute as to the interpretation and application of the Agreement [Sec. 3. First. (i)]. The passing on the claim for money damages is incident thereto.

Theoretically, the Act seeks to dispel the economic forces that could be brought to bear at the expense of the public's interest. It not only seeks to avoid ills from a present dispute; but, to avoid disputes of the same nature in future, quite apart from the technical questions of res judicata.

All employes in the unit to which an aggrieved employe belongs, regardless of their respective work locations, have a real and legitimate interest in a dispute as to the interpretation of the collective agreement. Each of them employed in the United States, at some later time, may be involved in a similar

dispute. We cannot deny them their day in court before this Board without offending the intent of the Congress.

It is not the locale where the incident giving rise to the dispute occurred that is governing. It is, instead, the unit-wide disputes as to the interpretation of the Agreement. Such boundaries encompass, within the Agreement, Carrier's employes within the United States.

The Congress has ordained that where "minor disputes" arise between "employe", acting through his "representative" and a "carrier" as to interpretation and application of an existing collective agreement this board is the exclusive ultimate forum to which parties to the dispute has. Chicago River case, 353 U.S. 30 (1957).

We repeat, for emphasis, Carrier's employes in the collective bargaining unit employed within the United States, through their "representative," Petitioner herein, are de jure parties to the dispute as to interpretation and application of the Agreement. To deny them this status would be contrary to the statutory scheme in that it would give rise to the ills which the Act was designed to prevent.

As to all employes being de jure parties, see The Wallace Corp. vs. NLRB, 323 U.S. 248, in which the Court, defining the duty of a bargaining agent, said, at page 255:

> "By its selection as bargaining representative, it [the representative] has become the agent of all the employes, charged with the responsibility of representing their interests fairly and impartially."

CONCLUSION

We find and hold that this Board has jurisdiction. We, accordingly, deny Carrier's motion to dismiss the petition for lack of jurisdiction.

II.

THE MERITS

A. The Facts

1. The Advent of CTC.

The collective bargaining unit consists of two seniority districts - "No. 1 seniority district shall include all stations in the United States; No. 2 seniority district all stations in Canada. . ." (Rule 13).

In 1928 Carrier installed Centralized Traffic Control (CTC) as automation, on its system within No. 1 seniority district and thereupon promulgated Operating Rule 412, which reads:

> "When obtaining authority from train controller to work upon main track, conductor must fill in blank spaces on work permit card, form CC-4, as authorized by train controller and give copy to engineer. Conductors must supply themselves with blank form CC-4 to be used for this purpose."

In 1957, shortly before the dates of violation alleged in the claim, it installed CTC on its system within No. 2 seniority district and promulgated a similar operating rule, applicable to that district, providing for the use of Form CC-4.

CTC is:

> ". . . a system of railway operation by means of which the movement of trains over routes and through blocks on a designated section of track or tracks is directed by signals controlled from a designated point, superseding time table superiority of trains, and without requiring the use of train orders." (Emphasis ours.)

After promulgation of the aforesaid operating rules, Form CC-4 was furnished to all conductors operating in CTC territory and they proceeded to employe the procedure and form prescribed in the operating rules.

The following is a reproduction of a executed Form CC-4, the emphasized portions of which were filled in by a conductor with information received via telephone, from the dispatcher; and, then, delivered, by the conductor to the designated engineer:

"WORK PERMIT CARD FORM CC-4

December 9, 1957, 6:01 P.M.

To C&E Eng. 5731 at Kingsville

You may work between S. Signal M-31-3 and S. Signal N-29 until 6:15 P.M.

(signed) HRM."

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2. Collective Bargaining History

At the time CTC was introduced, on No. 1 seniority district, the rights of the parties were memorialized in a basic agreement which had been executed in 1927. It included Rule XVII - Train Order Rule -- which is identical to Rule 25 of the Agreement, not before us. The Rule reads:

"RULE 25 - HANDLING OF TRAIN ORDERS

No employes other than those covered by this agreement and train dispatchers will be permitted to handle train orders at telegraph or telephone offices where an operator is employed and is available, except in emergency, in which case the telegrapher will be paid for the call. (See memorandum of understanding effective May 15, 1913 - Addendum No. 1)."

As shown, within the parentheses of Rule 25, the parties entered into a Memorandum of Understanding, in 1913, which insofar as is pertinent, reads:

"1. It is agreed that effective May 15, 1913, train and engine service employes will not, except in case of emergency, be required or permitted to copy, or train dispatchers or operators be required or permitted to telephone direct to train and engine service employes, train orders (Form 19 and 31), clearances (Form A),or written messages, nor to block or report trains.

2. It is further understood and agreed that direct telephone conversion between train dispatcher or operator and train and engine service employes about work, reporting train or engine clear of main track, permission to occupy main track, or permission to cross from one main track to another, will not be construed as a violation of this agreement." (Emphasis ours.)

This Memorandum was executed about 15 years after the advent of CTC in the United States part of the system; and, 11 years before CTC was installed on the Canadian part of the system.

On June 6, 1947, Carrier acquired by merger, that part of its system, in Canada, which is now No. 2 seniority district.

The 1927 Agreement was renegotiated in its entirety in 1949. The 1943 Memorandum of Agreement was incorporated therein as Addendum 1; and, the train order rule was unchanged.

The 1949 Agreement is that which is now before us. It was the existing Agreement at the time of the occurrences specified in the claim and antedated the installation of CTC within No. 2 seniority district by approximately eight years.

3. Occurrences Giving Rise to the Claim.

Each of the Claimants is the holder of the only position of Agent-Operator, at a station in Canada (see Rule 25 of the 1949 Agreement), which positions are covered by the Agreement. The alleged violations all occurred outside the regular hours of each Claimant.

In each instance of alleged violation, the conductor of a train Extra received and copied direct from the train dispatcher orders which he wrote on Form CC-4, repeated to the dispatcher and then delivered a copy of the filled in Form to the engineer of his train. One of these Forms, as filled in, which was actually used in one of the instances of alleged violation - and differs only from the other in detail - is set forth in II A(1), above.

4. Petitioner's Contentions.

Petitioner contends that: (1) the communication accomplished by Form CC-4 from the dispatcher to the engineer through the conductor is a train order within the contemplation of Rule 25 of the Agreement; (2) said type of communication is a written message and a message, order or report of record; (3) communications of record and train orders have been historically recognized as work reserved to Telegraphers; (4) Carrier's employment of Form CC-4 in communications from dispatcher through conductor to engineer invades the doing of work contractually reserved to Telegraphers; (5) the communication of the train order, written messages, and/or message of record are contractually required to be performed at each station through the lone Agent-Operator even though required during hours when the Agent-Operator is not regularly on duty; (6) Carrier, having

failed to have the Agent-Operator communicate the train order and/or message of record or written message, violated the Agreement; and (7) Carrier having violated the Agreement, Claimants can be made whole, in their contractual rights, and the Agreement "maintained", only by Carrier being ordered to pay each of them for a call, as provided for in Rule 6 and 25 of the Agreement.

5. Carrier's Contentions.

Carrier contends:

(a) The Scope Rule of the Agreement is general in nature. It is an established principle that where this is so, Telegraphers, to prevail, must prove that the work involved has been historically, traditionally and exclusively performed by employes within the collective bargaining unit. Therefore, since the facts in this case prove that the procedure of communicating between dispatcher-conductor-engineer, using Form CC-4, has been employed since 1928, the claim must be denied;

(b) The 1927 Basic Agreement, with reference to the Train Order Rule, was amended by Memorandum of Understanding in 1943. In 1945, the parties negotiated a Rest Day Agreement. In 1949, the parties renegotiated the Basic Agreement in its entirety. The 1949 Agreement did not change Train Orders Rule and continued in force and effect the 1943 Memorandum of Understanding which was incorporated as Addendum 1. It is an established principle that where the parties renegotiate a rule, without change, it must be conclusively presumed that it was their intent to endorse long existing unquestioned practices. Therefore, since no issues was raised by Petitioner as to the past practices in the use of Form

CC-4, Petition is estopped from claiming that the practice violates the Agreement;

(c) Paragraph 1 of the 1943 Memorandum of Understanding contractually restrains Carrier, as far as Train Orders are concerned, only from communicating, in the manner prescribed therein; "train order (Form 19 and 31). Since, therefore, Form CC-4 is not expressly referred to, the restraints of paragraph 1 are not applicable to its use.

III.

THE ULTIMATE ISSUES

The ultimate issues are whether:

(a) The communication effected through use of Form CC-4 is a train order - a communication of record - a written message;

(b) The communicating is work reserved, by the Agreement, to Telegraphers; or, work which by the terms of the Agreement, and practice, has been excluded from its scope.

IV.

RESOLUTION

A. The Scope Rule

The Scope Rule of the Agreement is the same, substantially, as that in Telegraphers' Agreements throughout the railroad industry. On its face, it is general in nature. But, in the specialized field of labor relations in the industry, which

the Congress by enactment of the Act recognized, we must read the Rule in the light of the long history of bargaining between Telegraphers and carriers with reflection of commonly understood meaning.

The work of communicating train orders, messages of record and written messages, has been historically recognized as belonging to Telegraphers. While the advent of CTC made substantial inroads on the volume of the work, that which has remained after automation, whether accomplished by telephone or written messages, has been zealously protected and retained by Telegraphers. The same is true as to communications of record.

Interpreting the Scope Rule in the light of its history, industry wide, and the common understanding of the parties - Telegraphers and carriers - as to its meaning, we find that it specifically embraces Telegraphers' exclusive right to the work of communicating training orders and messages of record.

B. The Train Order Rule

Rule 25 of the Agreement makes certain that the communication of Train Orders is reserved to Telegraphers except to the extent qualified by Addendum 1, which is the 1943 Memorandum of Understanding.

Addendum 1 prohibits employes of a craft or class of employes, other than Telegraphers, "to telephone direct to train and engine service employes, train orders (Forms 19 and 31) . . . or written messages . . ." Carrier argues that "train orders (Forms 19 and 31)" means that the prohibition is limited only to the forms identified in the parenthesis. We do not agree. As written, the forms designated are examples and not inclusive. It is not the make-up of the forms or their

identifying numbers which control. It is instead the substance of the message. If it is in substance a train order, its communication, by the means prescribed in paragraph 1 of Addendum 1, is reserved to Telegraphers.

It is generally accepted that train orders are messages which govern the movement of trains. The messages here involved, communicated through the use of Form CC-4, are within this definition. Therefore, the work of communicating them is, by interpretation and application of the agreement, reserved to Telegraphers. In transmitting by the method complained of, Carrier violated the Agreement.

C. Written Messages

Paragraph 1 of the 1943 Memorandum of Understanding also prohibits other than Telegraphers from communicating written messages. Since a dispatcher must record the information which he transmits to the conductor for filing in Form CC-4 and then delivered by the conductor to the designated engineer, the procedure constitutes communicating both a message of record and a written message. In transmitting by the method complained of, Carrier violated the Agreement.

D. The Weight of Past Practice

Carrier asserts that because Telegraphers made no complaint, in the 1949 negotiations, as to the past practice of using Form CC-4, it, by its silence, agreed to the continuation of the practice and is now estopped from claiming it violates the Agreement. We are cognizant that many of our Awards are predicated upon such a principle. This principle is in seeming conflict with other of our Awards; for example, Award No. 7195, in which we held:

> " . . . evidence of practice cannot abrogate the Rule, although it may bar past violations. Either party may at any time require that the practice be stopped and the Rule applied according to its terms (Awards Nos. 5872, 5979, 6144)."

In this case, we have found that the action complained of violated the Scope Rule, the Train Order Rule and paragraph 1 of the 1943 Memorandum of Understanding. We believe that the principle enunciated in Award No. 7195 is sound and appropriate in the disposition of this case.

CONCLUSION

For the foregoing reasons, we find that the Carrier violated the Agreement as alleged; and the monetary remedy prayed for is as provided for in the Agreement. We will sustain the claim.

FINDINGS: The Third Division of the Adjustment Board, upon the whole record and all the evidence, finds and holds:

That the parties waived oral hearing:

That the Carrier and the Employes involved in this dispute are respectively Carrier and Employes within the meaning of the Railway Labor Act as approved June 21, 1934;

That this Division of the Adjustment Board has jurisdiction over the dispute involved herein; and

That Carrier violated the Agreement.

AWARD

Claim sustained.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of THIRD DIVISION

ATTEST: S. H. Schulty
Executive Secretary

Dated at Chicago, Illinois, this 26th day of June 1961.

CARRIER MEMBERS DISSENT TO AWARD No. 12667
DOCKET No. TE-10995

The Majority has committed serious error and gone far afield in an effort to find that this Board had jurisdiction over the parties and the dispute. The Railway Labor Act, and not some other statute, is the sole source of this Board's authority and the parties over whom the Board has jurisdiction are plainly set forth in Section 3, First (i) of the Act, viz., "an employe or group of employes and a carrier or carriers". The claimants in this case are foreign nationals employed exclusively outside the territorial limits of the United States and the consistent and only judicial authority interpreting the Railway Labor Act in this respect is that foreign nationals exclusively employed outside the territorial limits of the United States are not "employes" under the Railway Labor Act1/; hence, the Board lacked jurisdiction over no less than one of the parties. The Board also lacked jurisdiction over the Carrier insofar as this case is concerned because the Railway Labor Act only covers carriers subject to the Interstate Commerce Act (Section 1, First) and the Interstate Commerce Act only covers transportation insofar as it takes place within the United States. (49 U.S.C.A., Chap. 1, Sec. 1 (l)c and (2).) in sum, the Carrier here, insofar as it operated in the Dominion of Canada, was not a carrier subject to the Interstate Commerce Act and, hence, not a carrier within the meaning of the Railway Labor Act. As concerns the dispute,

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1/ Air Line Dispatchers Ass'n. vs. National Mediation Board, 189 F.2d 685, cert. den. 342 U.S. 849; Air Line Stewards and Stewardesses Assn. vs. Northwest Airlines, Inc., 162 F. Supp. 681, 267 F. 2d 170, cert. den. 361 U.S. 901; Air Line Stewards and Stewardesses Ass'n. vs. Trans World Airlines, 173 F. Supp, 369, 273 F.2d 69, cert. den. 362 U.S. 988.

it arose wholly outside the territorial limits of the United States. The same prevailing judicial authority is that the Railway Labor act has no extraterritorial application and since this Board is a creature of the act, it is without authority to entertain disputes arising outside the territorial limits of the United States. The niceties of definition of collective bargaining, etc., have no bearing on the jurisdiction of this Board in the respects herein noted.

On the merits of the dispute the Majority is equally in error. The award in part, correctly holds that the Scope Rule was generally in nature in conformity with the consistent line of Awards, e.g., Awards 11506 and 12856 by the present Referee, but departs therefrom when it attempts to establish industry wide work allegedly reserved to telegraphers because there is "industry wide reservation of the work to telegraphers". (Award 12356 Dorsey.) The only practice, custom and tradition that can be considered that existing on this Carrier's property (Award 12356 -- Dorsey and on the basis the claim should have been denied. The Majority also errs in its consideration of Addendum 1 because the practice prevailed without change through the negotiation of Addendum 1 in 1943 and revision of the Agreement in 1949, thereby indicating the intent of the parties. (Award 12169 Dorsey.) Thus, what was here involved was never considered to be in violation of the Agreement and the Majority's conclusion to the contrary lacks substance.

For these and other reasons this Award is wholly erroneous and we dissent.

P. C. Carter
D. S. Dugan
W. H. Castle
T. F. Strunck
G. C. White

Award No. 452
Case No. 514

SPECIAL BOARD OF ADJUSTMENT NO. 570

Established Under
Agreement of September 25, 1964

Chicago, Illinois - May 17, 1978

PARTIES TO DISPUTE:

System Federation No. 4
Railway Employes' Department, AFL-CIO
Carmen

and

Chesapeake & Ohio Railroad
(Pere Marquette District)

STATEMENT OF CLAIM

1. That the Chesapeake and Ohio Railroad Company violated the provisions of Article I, Section 4, of the Agreement of September 25, 1964, when it failed to give sixty (60) days written notice of the furloughing of Carman William J. Small from his position as lead Car Inspector at Paquette, Ontario, Canada, a repair and inspection point. Such furlough caused by a change in Carrier's operations as set forth in Article I, Section 2(a) transfer of

work and (b) Abandonment, discontinuance, for 6 months or more, or consolidation of facilities or services or portions thereof, and further violated the terms of the Agreement when it refused to allow the aforesaid employee the protective benefits of the Agreement.

2. That accordingly, the Carrier be ordered to make Carman William J. Small whole by compensating him from the loss in wages due to the abbreviated furlough notice and that he be afforded the protection as set forth in Article I of the Agreement.

FINDINGS:

Claimant held a position as Car Inspector at Paquette (Ontario, Canada). On March 6, 1974 his position was abolished and Claimant was furloughed, and there were not remaining positions at Paquette. In addition to inspecting one train a day on a roll-by basis, Claimant would perform minor repair work at a dead-end spur requiring only one man. Work on cars set off at Paquette requiring more than one man was and is performed by carmen working from line-of-road trucks from St. Thomas.

The Organization contends that Claimant was furloughed because Carrier transferred the work from Paquette and abandoned the facility there, and that Carrier failed to give Claimant the requisite 60 days notice under the provisions of Section 2 of the Article I of the September 25, 1965 Agreement.

The Board, after reviewing the record, finds that the claim must be denied. There has been no showing by the Organization, even on a *prima facie* basis, that the furlough was the result of changes in operations due to any of the causes listed in Section 2. Work was not transferred to another location, and the facility (dead-end spur) was not abandoned.

AWARD

Claim denied.

The Board after consideration of the dispute identified above, hereby orders that an award favorable to Claimant not be made. The claim is disposed of as set forth in the foregoing award.

Adopted at Chicago, Illinois, on May 17, 1973

_____

General Member

PUBLIC LAW BOARD #347

AWARD 25

NNG - 2652

PARTIES TO DISPUTE: UNITED TRANSPORTATION UNION
THE CHESAPEAKE AND OHIO RAILWAY COMPANY

STATEMENT OF CLAIM:

Claim of Brakeman E.C. Graham for the removal of fifteen (15) days actual suspension from his record and payment for time lost as a result of an investigation held at St. James, Ontario, on July 31, 1969.

FINDING:

This Board, upon the whole record and all evidence, finds that:

The Carrier and Employee involved in this dispute are respectively Carrier and Employee within the meaning of the Railway Labor Act, as amended.

The Board has jurisdiction over the dispute and the parties involved herein, and the parties were given due notice of hearing.

Claimant, a brakeman, was in the cab of an engine operating in Walkerville, Ontario, when the engine failed to stop at the home signal and derailed. Both the engineer and

brakeman were aware of the stop signal. Claimant took no action to reduce the speed of the train.

Claimant argues that as the crew was working beyond 16 hours, they were fatigued, which was the cause of the accident. While there is no 16 hour law in Canada, Article 84 requires that no yardman will be required or permitted to remain on duty for a longer period than 16 hours. The crew took the train to Grand Marais Road, at which point the conductor, on the radio informed the engineer he would telephone the dispatcher that they were close to the 16 hour limit. The engineer suggested they proceed to the next telephone at Chrysler's, from which they notified the dispatcher. At the time, the hours of service were 16:05, or 5 minutes beyond the limit of 16 hours. The dispatcher instructed the crew to yard their train during which the incident occurred.

A review of the transcript indicates three findings of fact:

1. That the crew deliberately worked beyond the 16 hour limit before notifying the dispatcher.

2. That the dispatcher required the crew to continue to work beyond 16 hours, to the extent of yarding their train.

3. That hours of service was not involved as a cause for failure to take proper measures on recognition of the stop signal.

The investigation was fair, and no reason has been shown to remove the discipline assessed.

AWARD: CLAIM DENIED.

ORDER: This Award is ordered effective forthwith.

DATED: February 5, 1970

Detroit, Michigan

Judge Arthur W. Sempliner-
Chairman and Neutral

J. E. Purslow - Carrier Member

J. Burke - Organization Member

PUBLIC LAW BOARD 347
AWARD 87

MEMBERS OF THE BOARD

JAMES BURKE
Organization Member

B.G. UPTON
Carrier Member

JUDGE ARTHUR W. SEMPLINER
Chairman and Neutral

PARTIES TO DISPUTE: UNITED TRANSPORTATION UNION
THE CHESAPEAKE AND OHIO RAILWAY COMPANY

STATEMENT OF CLAIM:

Claim of Brakeman W. L. Lampman for 100 miles freight rate, additional, account runaround November 28, 1970, St. Thomas, Ontario.

FINDING:

The Board, upon the whole record and all the evidence, finds that:

The Carrier and Employees involved in this dispute are respectively Carrier and Employee within the meaning of the Railway Labor Act, as amended.

This Board has jurisdiction over the dispute and the parties involved herein, and the parties were given due notice of hearing.

Brakeman L. J. Brown, an assigned employee was posted in the vacation schedule to begin vacation 12:01 Saturday, November 28. Brown did not arrange to begin his vacation on schedule, and was called and accepted a call for 3:30 a.m. Claimant was 1st out on the extra board and claims a runaround on the basis he stood to be called had a vacancy been created through Brown taking his vacation when scheduled.

Claimant's right to work was dependent on a vacancy being created. When Brown failed to begin his

vacation, no vacancy was created, and no run-around occurred. The claim is not supported by any rule which creates a vacancy pursuant to a vacation schedule.

AWARD: CLAIM DENIED

ORDER: This award is ordered effective forthwith.

Judge Arthur W. Sempliner
Chairman and Neutral

James Burke
Organization Member

B. G. Upton
Carrier Member

DATED: May 16, 1972
Detroit, Michigan

PUBLIC LAW BOARD #884

AWARD 5

MEMBERS OF THE BOARD

G.H. BUNDE
Organization Member

J.J. MURPHY
Carrier Member

JUDGE ARTHUR W. SEMPLINER
Chairman and Neutral

PARTIES TO DISPUTE: THE CHESAPEAKE and OHIO RAILWAY COMPANY
UNITED TRANSPORTATION UNION (E)

STATEMENT OF CLAIM

"Time claim in favor of Engr. W. Westover and Fireman V. Clark, for 100 miles runaround, Detroit, February 18, 1971."

FINDING:

This Board, upon the whole record and all the evidence, finds that:

The Carrier and Employee involved in this dispute are respectively Carrier and Employee within the meaning of the Railway Labor Act, as amended.

This Board has jurisdiction over the dispute and the parties involved herein, and the parties were given due notice of hearing.

Claim for runaround when Detroit yard crew was used to take train from Pelton (a point within Windsor) switching limits to Detroit. The train, en route St. Thomas to Rougemere, had outlawed at Pelton. The carrier argues that it was not necessary to use Canadian road crews (claimant) but could use a Detroit yard crew under that section of the Tunnel Agreement readings:

> "Detroit terminal yard crews will handle in both directions between Rougemere and Chesapeake and Ohio tracks in Windsor all Windsor local and Windsor connection cars and all other cars not handled in Canadian division road trains or by car ferry between these points."

The train in question was not local to Windsor, but was a Canadian Division Road Train terminating at Rougemere (Detroit). The work belonged to the Canadian Division Crew.

AWARD: CLAIM SUSTAINED.

ORDER: This award is ordered effective forthwith, and the Carrier is directed to make payment within thirty (30) days.

Judge Arthur W. Sempliner
Chairman and Neutral

G.H. Bunde
Organization Member

J.J. Murphy
Carrier Member

DATED: February 7, 1974

Detroit, Michigan

PUBLIC LAW BOARD #884

AWARD 6

MEMBERS OF THE BOARD

G.H. BUNDE
Organization Member

J.J. MURPHY
Carrier Member

JUDGE ARTHUR W. SEMPLINER
Chairman and Neutral

PARTIES TO DISPUTE: THE CHESAPEAKE and OHIO RAILWAY COMPANY

UNITED TRANSPORTATION UNION (E)

STATEMENT OF CLAIM

"Time claims in favor of Engr. E. Bell and Engr. J. Roberts, dated April 3/71 claiming time held at Harrow."

FINDING:

This Board, upon the whole record and all the evidence, finds that:

The Carrier and Employee involved in this dispute are respectively Carrier and Employee within the meaning of the Railway Labor Act, as amended.

This Board has jurisdiction over the dispute and the parties involved herein, and the parties were given due notice of hearing.

Claimants, en route St. Thomas to Rougemere, were held at Harrow (15 miles East of Pelton) due to yard congestion at Rougemere. Claimants claim sharp practice, for if the train had been allowed to proceed to Pelton, payment would have been paid on a minute basis at overtime rate pursuant to Par. 3 of the Tunnel Agreement as follows:

> "3. Road compensation for the service trip for crews operating westward into Rougemere will end when the engineer arrives at the home signal governing movement over Pelton plant, or behind another train or trains awaiting movement over this plant. Crews will be paid at the overtime rate on the minute basis from the time they so arrive at Pelton until they are tied up and released at Rougemere."

Claimants had not arrived at Pelton, nor were they behind another train awaiting movement into the plant. Road trains may be held at any point and here no rule has been cited preventing the stoppage as performed. Claimants were on duty, under pay, and paid accordingly.

AWARD: CLAIM DENIED.

ORDER: This award is ordered effective forthwith.

Judge Arthur W. Sempliner
Chairman and Neutral

G.H. Bunde
Organization Member

J.J. Murphy
Carrier Member

DATED: February 7, 1974

Detroit, Michigan

Award No. 153
Case No. 153
NEG-D-209-ST

Public Law Board No. 1547

PARTIES TO DISPUTE: Brotherhood of Locomotive Engineers

and

The Chesapeake and Ohio Railway Company

STATEMENT OF CLAIM: Claim of Engineer W. A. Smoke that five-day suspension administered to him after hearing of January 6, 1983, should be set aside, his record be cleared of this discipline and he be reimbursed for all time lost.

FINDINGS: Claimant was suspended for five days for leaving a locomotive unattended and interfering with devices. It is undisputed that he left the engine unattended at Talbot Yard, St. Thomas, Ontario, without applying a hand brake.

A second ground mentioned for the suspension was wedging an air hose bag against the control pedestal, holding down the safety control lever, thus neutralizing the "dead man." Petitioner contends that it is a well known practice of engineers to adopt such measures.

Claimant refused to answer reasonable questions at the hearing that was held in this matter on familiar Fifth Amendment grounds. These are not criminal court proceedings and there was no sound ground for claimant to decline to furnish information that might shed some light on the issues of this case and be helpful to a proper resolution.

The claim lacks merit and will be denied. We find no sound basis for substituting our judgment for that of Carrier in this case.

AWARD: Claim denied.

Adopted at Baltimore, Maryland, June 29, 1984.

Harold M. Weston, Chairman

Carrier Member

Employe Member

Award No.
Case No. 163

Public Law Board No. 1547

PARTIES TO DISPUTE: Brotherhood of Locomotive Engineers

and

The Chesapeake and Ohio Railway Company

STATEMENT OF CLAIM: Claim of Engineer G. T. Baker dated May 17, 1982 for 100 miles runaround. Claim is supported by Rule 25 BLE Agreement.

FINDINGS: A derailment occurred at Delray, Detroit, blocking the main track. In view of the delay due to the derailment and to avoid exceeding the Hours of Service rule, the crew of Train CG-41, operating on the Canadian subdivision from St. Thomas, Ontario to Detroit's Rougemere Yard was released from duty at Winsor, Ontario.

A yard crew from Rougemere Yard, which is 7.7 miles from Winsor, was sent to Winsor to operate CG-41 into Rougemere Yard. It is Petitioner's position that a Canadian District road engineer should have been called from St. Thomas to bring CG-41 into Rougemere. St. Thomas lies 120 miles east of Winsor.

While it may have been more economical in terms of money and time for Carrier to have used the

Rougemere Yard crew for the work in controversy, Carrier must observe its contractual commitments to the Engineers in making work assignments.

Article VIII Section 2 of the BLE National Agreement of July 26, 1978 appears to cover the situation before us. It reads as follows:

> "At points where yard crews are employed, combination road-yard service zones may be established within which yard engine crews may be used to perform specified service outside of switching limits under the following conditions:
>
> (a) Road Yard Service Zones for purposes of this Section 2 are limited to a distance not to exceed fifteen (15) miles for the purpose of handling disabled trains or trains tied up under the Hours of Service Act. The distances referred to herein are to be computed from the switching limits existing on the date of this agreement, except where the parties on individual parties may agree otherwise."

The distance between Winsor and Rougemere is considerably less than 15 miles. Article VIII Section 2 plainly authorizes the use of a Rougemere Yard engine crew to handle a train tied up under the Hours of Service Act and is sufficiently broad to encompass the present situation. No statute, rule or practice to which we have been referred prohibits the use of a Rougemere Yard crew to handle a disabled or outlawed road train from a point off its seniority district, on a foreign railroad or across the international boundary line. Award 5 of Public Law Board 884 does not call for a

contrary holding; it was issued in 1974, well before the signing of the 1978 National Agreement.

AWARD: Claim denied.

Adopted at Baltimore, MD, April 20, 1987.

Harold M. Weston, Chairman

Carrier Member

Employe Member

Award No. 160
Case No. 160
NEG-7918-ST

Public Law Board No. 1547

PARTIES TO DISPUTE: Brotherhood of Locomotive Engineers

and

The Chesapeake and Ohio Railway Company

STATEMENT OF CLAIM: Claim of Fireman R. D. Welter dated July 25, 26, 28 and 29 and June 9, 1982 for FTD or ITD between Pelton and Rougemere for:

CNE 5127	135 minutes overtime
CNE 5128	184 minutes overtime
CNE 5129	156 minutes overtime
CNE 5130	149 minutes overtime
CNE 5138	50 minutes overtime

FINDINGS: Claim CNE 5138 has been withdrawn. The remaining four claims remain to be resolved.

Under the provisions of Addendum 29 of the Firemen's Agreement and Addendum 15 of the Engineers' Agreement, engineers and firemen receive an arbitrary for time consumed between Pelton and Rougemere, at overtime rate, on the westbound and

eastbound legs of the road trip from St. Thomas to Rougemere and return.

It is Petitioner's position that he is entitled to the arbitrary provided for in the above mentioned agreements. However, the UTU-E and the C&O entered into a written agreement on December 11, 1973 that unambiguously provides that the Pelton arbitrary provisions for firemen "will have no application to employees hired after January 15, 1974."

While claimant held a "3/28/66" seniority date for conductors and brakemen, he was not hired as a fireman until May 7, 1977; he holds a promoted date of "12/19/77" as engineer.

We are satisfied that the UTU-E and C&O were speaking exclusively of employment as firemen and engineers when they agreed that the Pelton arbitrary would not apply to employees hired after January 15, 1974. When claimant transferred to the firemen's craft, he forfeited all seniority rights as conductor or brakeman. His status as a trainman prior to 1974 did not vest him with any of an engineman's rights under Addendum 29 of the Firemen's Agreement or Addendum 15 of the Engineers' Agreement.

AWARD: Claim denied.

Adopted at Baltimore, Maryland, June 29, 1984.

Harold M. Weston, Chairman

Carrier Member

Employe Member

Award No. 155
Case No. 155
(NEG-7910-ST)

Public Law Board No. 1547

PARTIES TO DISPUTE: Brotherhood of Locomotive Engineers

and

The Chesapeake and Ohio Railway Company

STATEMENT OF CLAIM: Claims of Fireman J. D. Fowler dated May 5, 26 and 30, 1982 under the provisions of Pelton Agreement of the fireman's agreement for:

ITD or FTD at Detroit

5/5/82 CNE 4990 50" FTD
5/26/82 CNE 5989 45" FTD
5/30/82 CNE 4991 50" FTD

Time limit extended to 1/28/83 per A.C. Leone on 1/7/83.

FINDINGS: On each claim date, Fireman Fowler was operating from St. Thomas, Ontario, his home terminal, to Rougemere Yard, Detroit Michigan. He seeks additional final terminal

delay pay at Rougemere Yard, his away-from-home terminal.

The applicable rule provides that

"In freight service all time, in excess of 30 minutes computed from the time engineer reaches switch, or signal governing same, used in entering final terminal yard track where train is to be left or yarded, until finally relieved from duty, shall be paid for as final terminal delay . . . ."

The parties are in dispute as to the location where computation of final terminal delay (FTD) begins.

According to Petitioner, the signal governing entrance to the yard is located at Delray Interlocking and until 1982, the practice "of many years" standing was to show arrival time for trains from Canada when they reached Delray.

We find nothing in Carrier's presentation that explains away Petitioner's statements as to practice or clearly establishes that a different point is the proper location for beginning the calculation of FTD. Certainly, Carrier's Notice No. 56, dated August 4, 1982, is not helpful. It states:

"Effective at once, Final Terminal Delay time for Trainmen and Enginemen on Canadian District Crews operating into Rougemere Yard will start when the rear of the train has passed Delray Tower."

There is nothing to indicate that the "rear of the train" is a proper basis for computing the time when an engineer reaches the appropriate switch or signal.

Petitioner's statements as to a history and practice using Delray Interlocking are reasonable and clear and indeed not effectively controverted or explained away by Carrier. On the basis of that presentation, limited though it may be, and the language of the rule rather than on the basis of the Pelton Agreement, the claim will be sustained.

AWARD: Claim sustained. To be effective within 30 days.

Adopted at Baltimore, Maryland, April 30, 1986.

Harold M. Weston, Chairman

Carrier Member

Employe Member

NATIONAL RAILROAD ADJUSTMENT BOARD

Award Number 21130

THIRD DIVISION Docket Number SG-21059

Frederick R. Blackwell, Referee

PARTIES TO DISPUTE: (Brotherhood of Railroad Signalmen
(
(The Chesapeake and Ohio Railway Company
((P.M. District)

STATEMENT OF CLAIM: Claims of the General Committee of the Brotherhood of Railroad Signalmen on the former Pere Marquette Railroad:

Claim No. 1

(a) The Carrier violated the current Agreement between the Railway and its Communication Department Employes, particularly Rules 209 and 216, when it refused to allow reimbursement of meal expenses for March 19 and 20, 1973.

(b) The Carrier allow Communication and Signal (C&S) Maintainer R. K. Wilkins his expenses as claimed for March 19 and 20, 1973.
(Carrier's File: SG-345 General Chairman's File: 730427-123)

Claim No. 2

(a) Carrier violated and continues to violate the current Communication Agreement, particularly Rules 1, 209, 216, 701(a)(1), and 920, when on October 5, 1973 Communication and Signal (C&S) Maintainers were refused meal expenses starting with September, 1973 expenses. Such

expenses were submitted on C&O/B&O Form X-28 in proper manner as had been done and paid for at least the last seventeen (17) years.

(b) Carrier now reimburse C&S Maintainers Jack W. McKillop, C&O ID No. 2484272, and Ronald F. Fuller, C&O ID No. 2484430, for the following months and amounts: McKillop: September - $10.25, October - $6.20 and November - $9.05; Fuller: September - $45.45, October - $47.30 and November - $42.70.

(c) Carrier further pay Claimants interest on their October and November amounts due them at the rate of 1 percent, per month, compounded monthly, commencing with date of November 16, 1973 for October expenses, and date of December 16, 1973 for November expenses, such dates Claimants should have been reimbursed in accordance with Rule 216.

(Carrier's File: SG-368 General Chairman's File: 73-74-123
73-74-123-7)

Claim No. 3

(a) Carrier violated and continues to violate the current Agreement and its intent negotiated on behalf of Carrier's Communication Employes, particularly Rules 1, 209, 216, 701(a) 1, and 920, when Communication and Signal (C&S) Maintainers named below was notified by Carrier officers on November 9, 1973 and December 6, 1973 to the effect that certain meal expenses submitted on C&O Form X-28 for period shown below would not be allowed as in the past. As a result of this arbitrary action.

(b) Carrier now reimburse Claimants Jack W. McKillop, C&O ID No. 2484272, and Ronald F. Fuller, C&O ID No. 284430, meal expenses claimed on their December X-28 report filed with and refused by Carrier while working away from their assigned headquarters, such expenses claimed thereon: McKillop - $10.55; Fuller - $41.25.

(c) Carrier further pay Claimants interest on the above amounts at the rate of 1 percent per month, compounded monthly, commencing with date of January 15, 1974, the date such expenses should have been paid in accordance with Rule 216.

(Carrier's File: SG-378 General Chairman's File 74-6-123)

Claim No. 4

(a) Carrier violated and continues to violate the current Communication Agreement No. 2, particularly Rules 1, 103, 209, 216, 701(a)(1), 920 and Addendum No. 11, when on or about March 11, 1974 Division Engineer Davis refused payment and/or reimbursement of meal expenses for months of January and February 1974.

(b) Carrier now reimburse Communication & Signal Maintainers Jack W. McKillop, C&O ID No. 2484272, for meal expenses submitted for months of January ($12.20) and February ($8.50); and Ronald F. Fuller, C&O ID No. 2484430, for meal expenses submitted for months of January ($51.60) and February ($42.45), such expenses submitted by both employes in proper manner on Carrier's Form X-28 for months claimed herein.

(c) Carrier further pay Claimants interest on the above amounts at the rate of 1 percent per month,

compounded monthly commencing with date of February 15, 1974 for January expenses and date of March 15, 1974 for February expenses, the dates such expenses should have been paid in accordance with Rule 216.
(Carrier's File: SG-385 General Chairman's File: 74-15-123)

OPINION OF BOARD: The issue presented in this case is whether the Claimants, who are Communication and Signal (hereinafter C&S) Maintainers employed in Canada by the Carrier, are covered by the Communication Department Agreement, as contended by the Employes, or by the Signal Department Agreement, as contended by the Carrier. If their coverage is as asserted by the Employes, the Claimants are within the purview of Rule 209 of the Communication Agreement and reimbursement or their noon-day meal expenses is required. However, if the Carrier is correct, the Claimants are covered by the Signal Department Rule 209 which expressly excludes the cost of noon-day meals from reimbursement.

The record in this dispute is voluminous; however, a study of the whole record indicates that the answer to the basic issue in question can be readily derived from a comparative analysis of the following rules from the two agreements: Sunday and Holiday work (Rule 206 of each Agreement); Holiday Pay (Rule 206½ of each Agreement); leaving and returning to Home Station Same Day (Rule 209 of each Agreement); Gang Headquarters (Rule 217 of each agreement) and Seniority Districts (Rule 405 of the Signal Department Agreement and Rule 408 of the Communication Department Agreement).

The aforementioned Signal Department Rules make specific references to Canadian employes and Canada while the

Communication Department Rules contain no such references. Rules 206 and 206½ of the Signalman's Agreement list holidays in both the United States and Canada for which a qualified employe will receive pay while the comparable rules in the Communication Agreement only list United States' holidays. Similarly, Signal Department Rule 217 designates Ridgetown, Ontario as the gang headquarters for the Canadian seniority district gang and three Michigan locales as gang headquarters for United States seniority district gangs; in contrast the corresponding rule in the Communication Agreement designates only Grand Rapids, Michigan as a gang headquarters. The only reasonable inference to be drawn from the inclusion of Canadian references in the Signalman's Agreement and the omission of such references in the Communication Agreement is that the Communication Agreement was intended to cover employes in the United States while the Signalman's Agreement covers employees in both the United States and Canada. This conclusion is further supported by the Employes' admission that C&S Maintainers in Canada, including the Claimants, are covered by the holiday pay and seniority rules of the Signalman's Agreement (Rules 206½ and 405 respectively) and not by the corresponding rules of the Communication Agreement.

Wholly apart from the above analysis, Rule 405 of the Signalman's Agreement and Rule 408 of the Communication Agreement, both of which define the seniority districts in which they apply, are particularly informative in delineating the employe coverage of the respective Agreements. Signal Department Rule 405 specifically establishes a seniority district called the Canadian Division as well as three seniority districts in the United States and further provides that "seniority rights of employes will be restricted to one district. On the other hand, Rule 408 of the Communication Agreement provides only for a seniority district "composed of that part of the Pere Marquette

District West of the Detroit and St. Clair Rivers" which excludes all of the Canadian division territory. Clearly, the establishment of the foregoing seniority districts by the two agreements shows that the Signal Department Agreement applies to employes in both the United States and Canada while the Communication Agreement is limited solely to employes in the United States. Furthermore, if it had been the parties intent to include the Canadian Division or any employes thereof within the provisions of Rule 408 of the Communication Agreement, the parties could have complied when the 1953 Agreement was written or when the 1967 revisions were made. However, it is apparent on the face of the Agreements that the parties did not choose to do so.

The Employes concede that the Maintainers employed in Canada were covered by the Signalman's Agreement up to the execution of the Communication Agreement in 1953 and the foregoing shows that the record is replete with evidence establishing that these employes are still covered by the Signalman's Agreement and not by the Communication Agreement. Accordingly, Rule 209 of the Signalman's Agreement which expressly prohibits the reimbursement for noon-day meals applies in this case.

This finding is not altered by the Employes' contentions: (1) that the Scope Rule of the Communication Agreement includes the present Claimants, and (2) that a past practice allowing reimbursement for noon-day meal expenses has been established.

The Employes assert that the parties' intent to have the Communication Agreement apply to C&S Maintainers employed in Canada is reflected in the following portion of the Scope Rule of that agreement:

"This agreement covers rates of pay, hours of service and working conditions of all employes specified in Rules 101 to 105 inclusive . . . including employes in the United States classified under Rule 103(b) of this agreement. . . . "

The Employes note that the above passage expressly includes employes in the United States. It is then argued that, since the Canadian Maintainers were covered by the Signalman's Agreement prior to the execution of the Communication Agreement in 1953, the reference to employes in the United States is clear evidence of the parties' intent for the communication Agreement to cover C&S Maintainers in both Canada and the United States. However, this construction of the quoted language is unacceptable since the Employes fail to indicate any rules of contract interpretation which would support a construction requiring the express inclusion of United States employes to carry with it an implied inclusion of Canadian employes. On the contrary, the express provision of the Agreement including employes in the United States indicates that a comparable provision concerning Canadian employes would be required before the coverage of the Communication Agreement could be extended to such employes. Moreover, it must be noted that when parties intend to cover certain employes by an agreement, they generally include provisions expressly accomplishing the intended coverage and, at the very least, use methods less obscure than the indirect method asserted by the Employes in the instant case.

Apart from this provision, the Employes also contend that the Carrier's Canadian employes have received noon meal expenses over a long period of time and that such past practice has just recently been terminated. In this regard, the record reflects that there have been cases in the past where

a supervisor on his own initiative authorized the reimbursement of meal expenses by the Carrier; however, the record also reflects that these decisions have been made by employes who do not have the authority to bind the Carrier at a policy-making level. Prior Board Awards have recognized that actions taken by an operating officer do not constitute a binding interpretation of the Agreement and that such an interpretation can only result from the actions of the General Chairman and the designated officer of the Carrier. Third Division Awards 18064 and 18045. The Employs have failed to offer any evidence to show that an authorized officer of the Carrier has interpreted the two agreements to sanction the reimbursement of noon-day meals for Canadian employes, and thus the Employes' evidence falls far short of showing a firmly established past practice which could prevail in this case. Even if a past practice had been established, prior Board decisions have held that unambiguous provisions of the Agreement prevail over conflicting practices. Third Division Awards 17916 and 13994. Based on the foregoing and consideration of the whole record, it is clear that Rule 209 of the Signalman's Agreement was intended to cover the Claimants in this case. Consequently, their claims must be denied.

FINDINGS: The Third Division of the Adjustment Board, upon the whole record and all the evidence, finds and holds:

That the parties waived oral hearing;

That the Carrier and the Employes involved in this dispute are respectively Carrier and Employes within the meaning of the Railway Labor Act, as approved June 21, 1934;

Award Number 21130
Docket Number SG-21059

That this Division of the Adjustment Board has jurisdiction over the dispute involved herein; and

That the Agreement was not violated.

A W A R D

Claims denied.

NATIONAL RAILROAD ADJUSTMENT BOARD

By Order of Third Division

ATTEST: _____
Executive Secretary

Dated at Chicago, Illinois, this 30th day of July 1976.

IN THE SUPERIOR COURT
FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION

STEPHEN RASTALL	)	
TIM GOWDY	)	
	)	
On behalf of themselves	)	
and all other persons	)	
similarly situated,	)	
	)	
Plaintiffs,	)	Civil Action
	)	No. 1414-88
v.	)	
	)	
CSX TRANSPORTATION INC.,	)	
	)	
	)	
Defendants.	)	

AFFIDAVIT

I, WESLEY B. RAYNER, of the City of London in the Province of Ontario, Canada, MAKE OATH AND SAY:

I presently am serving as Dean of The School of Law of The University of Western Ontario, a position I have held for the last three years. Prior to that time, I served as Professor of Law, a position I assumed in 1968. I received a B.A. and LL.B from the University of Western Ontario and an LL.M. from Yale University. I was called to the Bar of Ontario in 1966.

I have taught Labour Law, served as an arbitrator on many cases and have written in the area. Included in my publications is one of the leading texts on Canadian labour law, *Collective Bargaining Law in Canada* 2nd ed. 1986, (Butterworths), which I co-authored with Professor A.W.R. Carrothers and Professor E.E. Palmer.

INTRODUCTION

I have been asked to render an opinion as to whether the federal Canada Labour Code, RSC 1970 c. L-1 requires the settlement of the claims now before the Superior Court of the District of Columbia by arbitration and not by court action. This request raises two issues of law in my view.

First, does s.155(1) of the Canada Labour Code require that all labour disputes arising under a collective agreement falling under federal jurisdiction be resolved by arbitration? Second, if the answer to the first question is in the negative, may an action be brought by individual employees against an employer with respect to matters forming part of the employment contract, especially where the collective agreement contemplates such action?

In my opinion s.155 (1) of the Code does not require that all disputes be settled by arbitration, and that individual employees may bring an action such as the one now before the Court especially where the collective agreement contemplates such action.

Section 155(1) reads:

> "Every collective agreement shall contain a provision for final settlement without stoppage of work, by arbitration or otherwise, of all differences between the

> parties to or employees bound by the collective agreement concerning interpretation, application, administration, or alleged violation."

This section differs from roughly equivalent sections in several provincial labour codes in that it specifically provides for settlement of disputes without work stoppage "by arbitration, or otherwise", whereas most of the provincial codes, for example Ontario and Quebec, require settlement by arbitration alone. Thus many of the cases decided under the Provincial labour codes, such as *Brunet* v. *General Motors of Canada Ltd.* (1977) 13 N.R.233(SCC), *Le Syndicat Catholique des Employes de Magasins de Quebec Inc.* v. *La Compagnie Paquet Ltee*, [1959] SCR 206, *For Motor Co. of Canada Ltd* v. *Facchinato* (1978), 18 OR(2d) 581 (HCJ), *Ford* v. *Trustees of Ottawa Civic Hospital* (1973), 3 O.R. 437 (HCJ), *Close* v. *Globe & Mail Ltd.* (1967) 1.O.R. 235 (C.A.), *Lawn* v. *Algonquin College of Applied Arts and Technology* (1982), 39 O.R.(2d) arbitration 377 (HCJ) and *Bourne* v. *Otis Elevator Co. Ltd.* (1984), 45 O.R.(2d) 321(HCJ) are readily distinguishable.

There have been attempts to bring a Court action when the arbitration provisions of a collective agreement governed by the Canada Labour Code have been exhausted. These attempts have not met with success as the Court will limit its intervention to a judicial review of the award on the basis of jurisdictional error. Cases such as *Bergeron* v. *Kingsway Transports ltd* (1979), 95 DLR (3d) 749 (Ont. Div Ct.) illustrate this principle.

Similarly in cases where the parties have agreed in their collective agreement to use arbitration to resolve disputes, that agreement limiting the parties to arbitration, even in the context of the federal Code or provincial codes with similar wording i.e. resolution of disputes "by arbitration or otherwise", will preclude an action before the Courts. (See *Henley* v. *Atlantic Provinces*

Special Education Authority, 86 CLLC, 14040. (NSSC); *O'Neill* v. *Canadian National Railway Co. et al*, 81 CLLC 14074; *Bisson* v. *Brotherhood Railway Carmen of America and Canadian Car Company Limited*, 63 CLLC 698).

However, the essence of the lines of cases represented by the *Bergeron* decision or the *Henley* decision is that if the parties in their agreement have chosen arbitration as their method to resolve disputes, that method must be followed. The decisions do not stand for the proposition that the parties must choose arbitration as the sole method to resolve disputes. If such a conclusion were to be reached, the words "or otherwise" would be read completely out of Section 155(1).

The very issue posed by the first question was canvassed by Professor Carrothers in 1961 in his book *Labour Arbitration in Canada* (1961, Butterworths), where he stated at p.21 "The question arises whether arbitration [in the Federal jurisdiction] may be considered a requirement of law. He concludes by stating that the cases tend in the direction that arbitration under the Code is consensual, i.e. not required by law. There is strong indirect authority to support this proposition. I say "indirect" because the issue has come before the Courts in an indirect way.

On judicial review of arbitration decisions, the scope of review is determined, in part, by the nature of the arbitration. If the arbitration is consensual, i.e. a method of dispute resolution chosen by the parties, the scope of review is much more limited, than if the arbitration is statutory, i.e. mandated by statute. In the labour law context, the determination of whether the arbitration is consensual or statutory turns on the wording of the statute which provides for settlement of disputes without work stoppage. Where the Statute requires arbitration (such as the *Ontario Labour Relations Act*, RSO 1980, c.228

s.44), arbitration is mandatory and the arbitrators are statutory arbitrators. However, where the statute provides for "arbitration or otherwise" it has been held that arbitration is not mandatory and that the arbitrators are consensual. [See: *Howe Sound Co.* v. *International Union of Mine Mill & Smelter Workers (Canada) Ltd., Local 633*, [1962] SCR 318, (SCC) *Regina* v. *O'Connell et al* (1967), 64 DLR (2d) 97 (NSSC). Thus the reasoning of these cases strongly support the conclusion that arbitration is not the only method of dispute resolution envisaged by s.155(1) of the *Canada Labour Code*, although, in practical terms, arbitration is often the method selected by the parties.

The fact that subsection (2) of Section 155 provides for arbitration if the parties have failed to negotiate a provision for the final settlement of differences as required by s.155(1), does not lead to the conclusion that arbitration is mandatory. Subsection (2) only operates if the parties have not provided a settlement mechanism as required by s.155(1). It does mean, however, that if there is no agreement as to settlement mechanism, or no effective method is selected, arbitration becomes the method by default. [See: *CKCH Radio Ltee* v. *CLRB*, [1976] 1 F.C. 3 (F.C.)].

Such a conclusion, i.e. that arbitration alone is not mandated by s.155(1), is consistent with the decision of the recent Supreme Court of Canada decision in *St. Anne Nackawic Pulp & Paper Co. Ltd.*, [1986] 1 SCR 704. Arbitration under the Code may be the preferred method, and if selected by the parties to the exclusion of other methods in the collective agreement, will be the only method of resolution. However it is open for the parties in their agreement to choose other, or alternative, methods of resolution.

In the present case the wording of the agreement does provide for an alternative approach in that it specifically keeps

alive the employee's right to an action before the Courts because it provides:

> "This agreement is not intended to deny the right of the employees to use any lawful action (emphasis added) for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier."

In some 20 years of experience, I have never seen such a clause in a Canadian collective agreement. However, the fact that the clause is to that extent unique does not mean that it would not be valid under s.155(1) of the Code. To my knowledge, such a provision has never been considered by the Courts in Canada in the context of s.155(1) of the Code, or any other labour legislation for that matter. Thus I conclude that the words "or otherwise" as used in the section, permit Court action as well as arbitration.

The second question, as to whether employees could bring such an action as the present one before a Canadian Court, may be somewhat more debatable but in my view such an action could be brought given the wording of the agreement referred to in the previous paragraph. Clearly, if the action is not to enforce a provision of the collective agreement, such an action may be brought. [See: *Hamilton Street Railway Co.* v. *Northcott* (1966), 58 DLR(2d) 708]. To the extent that the action is founded in quasi contract or unjust enrichment, the action should be permissible. However, even if the action flows from an alleged breach of the agreement, given the wording of the clause which permits recourse by employees to lawful action within certain time limits, my view is that the action could be brought.

There have been instances where the Courts have entertained actions based on the master-servant contract even where a collective agreement is in force (*See: Grottoli v. Locke & Son Ltd* [1963] 2 O.R.254; *Wilkinson v. Goldberg et al* 39 CPC 180 (Ont. Prov. Ct.)). However, it is true that this line of cases is open to question in *McGavin Toastmaster Ltd.* v. *Ainscough* [1976] 1 SCR 718. However it is interesting to note that even in the latter case, which seriously questioned whether any remnant of a master-servant relationship survives a collective bargaining situation, the employees were successful in obtaining severance pay by Court action.

None of the cases, before or after the *McGavin Toastmaster* decision contained a clause in the collective agreement permitting "lawful action" as in the instant case. Thus none of the Canadian cases are directly on point.

In my view the clause in the agreement can be interpreted in three ways. First, it specifically preserves the master-servant relationship for the purposes of court action. If this interpretation is correct, the rationale behind the *McGavin Toastmaster* reasoning disappears. Second, it could be interpreted as bestowing upon the employee the right to enforce by action claims arising from the agreement. In the absence of any statutory prohibition, such as *The Rights of Labour Act* R.S.O. 1980, c.456 s.3(3) which precludes enforcement of the collective agreement by the Court in Ontario, there is no reason why this interpretation could not be accepted. *The Rights of Labour Act* which is a provincial statute does not apply to agreements falling under federal jurisdiction such as the present case and there is no equivalent statutory bar imposed by federal legislation. Thirdly, it could be interpreted as merely preserving rights of action that would exist apart from the collective agreement. Given the wording of the clause and the context in which it is found, I find this interpretation the least likely, but

even if it is adopted, the employees' claims based on quasi contract or unjust enrichment would not be precluded.

The same analysis could be applied to the other form of collective agreement clause which establishes a one-year time limit for claims before "a tribunal having jurisdiction pursuant to law or agreement."

Finally, there is no question that the applicable Canadian legislation, if any, is the *Canada Labour Code* and not the *Ontario Labour Relations Act*. The operation in question is a "federal work, undertaking, or business" within the meaning of Section 2(b) of the *Canada Labour Code*, and thus falls under federal, as opposed to provincial jurisdiction.

Sworn before me at the
City of London, on the Province
of Ontario, November nd, 1988

_____

A Notary Public in and for
the Province of Ontario

AGREEMENT

between

THE CHESAPEAKE AND OHIO RAILWAY COMPANY
(PERE MARQUETTE DISTRICT)

and

ALL THAT CLASS OF EMPLOYEES
HEREIN SPECIFIED REPRESENTED BY

BROTHERHOOD OF RAILWAY CARMEN
OF THE UNITED STATES AND CANADA

Revised and Reprinted July 1, 1985

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RULE 3

(d) HOLIDAY PAY

(Article II, August 21, 1954 NATIONAL AGREEMENT as revised to January 1, 1983)

Section 1. Subject to the qualifying requirements contained in Section 3 hereof, and to the conditions hereinafter provided, each hourly- and daily-rated employee shall receive eight hours' pay at the pro-rata hourly rate for each of the following enumerated holidays:

EMPLOYEES IN THE UNITED STATES

New Year's Day	Thanksgiving Day
Washington's Birthday	Day After Thanksgiving
Good Friday	Christmas Eve Day
Memorial Day	Christmas Day
Fourth of July	New Year's Eve Day
Labor Day	

EMPLOYEES IN CANADA

New Year's Day	Thanksgiving Day
Good Friday	Friday After Thanksgiving
Victoria Day	Christmas Eve Day
Dominion Day	Christmas Day
Civic Holiday	New Year's Eve Day
Labour Day	

(a) Holiday pay for regularly-assigned employees shall be at the pro-rata rate of the position to which assigned.

(b) For other than regularly assigned employees, if the holiday falls on a day on which he would otherwise be assigned

to work, he shall, if consistent with the requirements of the service, be given the day off and receive eight hours' pay at the pro-rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours' pay at the pro-rata hourly rate of the position on which compensation last accrued to him prior to the holiday.

(c) Subject to the applicable qualifying requirements in Section 3 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (b) above, provided (1) compensation for service paid him by the Carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service provided employment was not terminated prior to the holiday by resignation for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment.

Section 2. Eliminated.

Section 3. A regularly-assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the Carrier is credited to the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of a regularly assigned employee's workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

Except as provided in the following paragraph, all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

RULE 32 - GRIEVANCES AND CLAIMS
(Revised January 1, 1955)

(1) All claims or grievances shall be handled as follows:

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Carrier authorized to receive same, within 60 days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Carrier shall, within 60 days from the date same is filed, notify whoever filed the claim or grievance (the employee or his representative) in writing of the reasons for such disallowances. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within 60 days from receipt of notice of disallowance, and the representative of the Carrier shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood,

however, that the parties may, by agreement, at any stage of the the (sic) handling of a claim or grievance on the property, extend the 60-day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.

(c) The requirements outlined in paragraphs (a) and (b), pertaining to appeal by the employee and decision by the Carrier, shall govern appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Carrier to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within 9 months from the date of said officer's decision proceedings are instituted by the employee or his duly-authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the 9 months' period herein referred to.

(2) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such,

continues. However, no monetary claim shall be allowed retroactively for more than 60 days prior to the filling thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(3) This Rule recognizes the right of representatives of the Organizations, parties hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.

(4) This Rule is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the Carrier.

(5) All conferences between local officials and local committees to be held during regular working hours without loss of time to committeemen.

RULE 33 - STRIKES AND LOCK-OUTS

Should the highest designated railroad official, or his duly authorized representative, and the aggrieved employee, or his representative, as provided in first paragraph of Rule 32, fail to agree, the case shall then be handled in accordance with the Railroad Labor Act.

Prior to assertion of grievances as herein provided, and while questions of grievances are pending, there will neither be a shutdown by the employer nor a suspension of work by the employees.

RULE 70

Date Effective.

This is a revision and reprint to the Agreement effective May 1, 1954, which was last reprinted May 1, 1954.

This Agreement shall become effective July 1, 1985, unless otherwise indicated, and shall continue in effect unless and until changed in the manner prescribed by the Railway Labor Act, as amended.

FOR: THE EMPLOYEES:	FOR: THE CHESAPEAKE AND OHIO RAILWAY COMPANY (former PERE MARQUETTE DISTRICT):
_____	_____

APPENDIX A

AGREEMENT

* * * * *

THE CHESAPEAKE AND OHIO RAILWAY COMPANY
(CHESAPEAKE AND PERE MARQUETTE DISTRICTS)

THE BALTIMORE AND OHIO RAILROAD COMPANY

STATEN ISLAND RAILROAD CORPORATION

WESTERN MARYLAND RAILWAY COMPANY

and employees represented by the

BROTHERHOOD OF RAILWAY CARMEN OF THE
UNITED STATES AND CANADA

* * * * * * *

EFFECTIVE: June 1, 1979

* * * * * * *

ARTICLE VI - RATES OF PAY

Section 1. Rate Schedule

The following schedule of basic rates is to be applied beginning with the effective date of this agreement:

1st Period	$ 6.25
2nd Period	$ 6.79
3rd Period	$ 6.93
4th Period	$ 7.17
5th Period	$ 7.44
6th Period	$ 7.72

NOTE: The above are basic rates in effect January 1, 1979 not including cost-of-living adjustments.

ARTICLE VIII - GENERAL PROVISIONS

No provision of this Agreement shall be construed as requiring any of the Carriers to establish any given number of apprentice positions in any craft.

This document constitutes a separate agreement by and on behalf of the signatory Organization and each Carrier.

Signed at Baltimore, Maryland this 18th day of April, 1979

Signatures not reproduced.

APPENDIX D

VACATION AGREEMENT

ARTICLES OF AGREEMENT

Article I. (Revised Effective January 1, 1982)

(a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.

(b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years. not necessarily consecutive.

(c) Effective with the calendar year 1982, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100)

days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eight (8) of such years, not necessarily consecutive.

(d) Effective with the calendar year 1982, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of seventeen (17) of such years, not necessarily consecutive.

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

(f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees,

whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.

(g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.

(h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

(i) In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing carrier.

(j) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the

Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of this return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(k) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(l) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier

he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his local or general chairman.

Article 2. (Revised effective January 1, 1976)

• An employee's vacation period will not be extended by reason of any of the eight recognized holidays (New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas) or any holiday which by local agreement has been substituted therefor, falling within his vacation period.

Article 2 is further amended, effective January 1, 1973, to change the reference to "eight recognized holidays" to "nine recognized holidays" and add Veterans Day to the holidays named.

Article 2 is further amended, effective January 1, 1976, to change the reference to "nine recognized holidays" to "ten recognized holidays" and add Christmas Eve (the day before Christmas is observed) to the holidays named.

Article 3.

The terms of this Agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understanding or custom.

Article 4.

(a) Vacation may be taken from January 1st to December 31st and due regard consistent with requirements of service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations.

The local committee of each organization signatory hereto and the representatives of the Carrier will cooperate in assigning vacation dates.

(b) The Management may upon reasonable notice (of thirty (30) days or more, if possible, but in no event less than fifteen (15) days) require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time.

The local committee of each organization affected signatory hereto and the proper representative of the Carrier will cooperate in the assignment of remaining forces.

Article 5.

Each employee who is entitled to vacation shall take same at the time assigned, and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days' notice shall be given except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days' notice will be given affected employee.

If a carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided.

Such employee shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay.

Article 6.

The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.

Article 7.

Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

(a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.

(b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this Agreement.

(c) An employee paid a weekly or monthly rate shall have no deductions made from his compensation on account of vacation allowances made pursuant to this Agreement.

(d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.

(e) An employee not covered by Sections (a), (b), (c), or (d) of this article will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.

Article 8.

The vacation provided for in this Agreement shall be considered to have been earned when the employee has qualified under Article 1 hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefor under Article 1. If an employee thus entitled to vacation or vacation pay shall die the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

Article 9.

Vacations shall not be accumulated or carried over from one vacation year to another.

Article 10.

(a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly

assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five percent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the workload is agreed to by the proper local union committee or official.

(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

Article 11.

While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto.

Article 12.

(a) Except as otherwise provided in this Agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the

regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

(b) As employees exercising their vacation privileges will be compensated under this Agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

Article 13.

The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this Agreement, provided that such changes or understandings shall not be inconsistent with this Agreement.

Article 14.

Any dispute or controversy arising out of the interpretation or application of any of the provisions of this Agreement shall be referred for decision to a committee, the carrier members of which shall be the Carriers' Conference Committees signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

This article is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this article fails to dispose of any dispute or controversy.

Article 15.

Except as otherwise provided herein this Agreement shall be effective as of January 1, 1973, and shall be incorporated in existing agreements as a supplement thereto and shall be in full force and effect for a period of one (1) year from January 1, 1973, and continue in effect thereafter, subject to not less than seven (7) months' notice in writing (which notice may be served in 1973 or in any subsequent year) by any carrier or organization party hereto, of desire to change this Agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion.

Form 1

Award No. 24000
Docket No. 43636
90-1-89-1-C-4435

NATIONAL RAILROAD ADJUSTMENT BOARD

FIRST DIVISION

The First Division consisted of the regular members and in addition Referee David P. Twomey when award was rendered.

PARTIES TO DISPUTE: (Dave Allen, et al.
(
(CSX Transportation, Inc.

STATEMENT OF CLAIM:

"Has the Carrier violated the collective bargaining agreement by refusing to pay its Canadian employees the wage rates set forth in such agreement either in United States currency or the equivalent value of such United States currency, and thereby refusing to pay its Canadian employees the same wages as it pays its U.S. employees performing identical work?"

FINDINGS:

The First Division of the Adjustment Board, upon the whole record and all the evidence, finds that:

The carrier or carriers and the employe or employes involved in this dispute are respectively carrier and employes within the meaning of the Railway Labor Act as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

As Third Party in Interest, the United Transportation Union was advised of the pendency of this dispute and filed a Submission with the Division.

This Board has jurisdiction to hear this case. We recently heard, and decided a case involving the Brotherhood of Locomotive Engineers and CSX Transportation Inc. on the issue of pay for Canadian employees. We also heard and decided a case involving the United Transportation Union and CSX on the same issue of pay for Canadian employees. In both cases the parties conceded that this Board had jurisdiction. Over the years disputes involving Canadian District Crews of the Chesapeake and Ohio Railway Company were handled before Public Law Boards in the United States. Please see Award 25, of PLB 884, and Award 5 of PLB 884. See also, for example, First Division Award 20399 on the matter of jurisdiction.

We have considered the case presented to the Board on behalf of the Claimants. In First Division Award 23963 involving the UTU and the Carrier, we recently found that the Carrier did not violate the collective bargaining agreement and past practices in the manner in which it paid its Canadian employees. In the instant case the Claimants assert that the contract is unambiguous and that it is reasonable to

interpret the symbol "$" to mean U.S. dollars. In First division Award 23963 a majority of this Board stated:

> "The record does not support the Organization's contention that the Agreement clearly and unequivocally sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. A strong case can be made for the Organization's position as to meaning, but it is not clear and unequivocal in support of the Organization's interpretation. The rates of pay in the Agreement Rules are stated in dollars ($). Canada's currency is dollars and so is the U.S. currency. The Carrier reads the contract as requiring it to pay employees who work and reside in Canada in Canadian dollars. Such is also a possible reading of the contract. We find therefore that the contract language used by the parties does not clearly and unequivocally support the Organization's position that the Agreement sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. Rather, we find that the contract language is ambiguous.
>
> What is as clear as a bell, however, is that for the period of 25 to 30 years according to the actual memory of individuals in a position to know, and

> for an indefinite period prior thereto, the Carrier has made payment to its employees working and residing in Canada in Canadian dollars, without an adjustment for the exchange rate differences between the U.S. and Canada. We find that this long-standing, open, and unchallenged practice, which was applied to every conductor, trainman, and engineer for at least the past thirty years is controlling in determining the parties intent where the Agreement is ambiguous, as has been determined in this case. We find that the Carrier has not violated the Agreement and past practices by paying its employees in Canadian dollars unadjusted for the exchange rate between the U.S. and Canada. We must therefore answer the question before this Board in the negative."

We find no basis in the case presented by the Claimants to alter the position taken by the Board majority in Award 23963. We are compelled to deny the Claim. We point out again, as we did in Award 23963, that a new rule must be negotiated in order to change the application of the current Agreement.

AWARD

Claim denied.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of First Division

Attest:_____
Nancy J. Dever - Executive Secretary

Dated at Chicago, Illinois, this 25th day of June 1990.

Form 1

Award No. 23963
Docket No. 43610
89-1-89-1-C-4433

NATIONAL RAILROAD ADJUSTMENT BOARD

FIRST DIVISION

The First Division consisted of the regular members and in addition Referee David P. Twomey when award was rendered.

PARTIES TO DISPUTE: (CSX Transportation, Inc.
(
(United Transportation Union

STATEMENT OF CLAIM:

"Has the Carrier violated the collective bargaining agreement and the past practices by paying its employees in Canada with Canadian dollars unadjusted for the exchange rate between the U.S. and Canada?"

FINDINGS:

The First Division of the Adjustment Board upon the whole record and all the evidence, finds that:

Form 1

Award No. 23963
Docket No. 43610
89-1-89-1-C-4433

The carrier or carriers and the employe or employes involved in this dispute are respectively carrier and employes within the meaning of the Railway Labor Act as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

The Organization contends that the applicable Agreement Rules clearly and unequivocally set wages in terms of U.S. dollars for all members of the collective bargaining group. It contends that there is no exception to these Rules allowing the Carrier to reduce scheduled wages paid to Canadians. The Organization contends, moreover, that if a binding practice existed, it was dissolved because (a) practice does not supersede a clear, controlling and specific rule; and (b) where a rule is clear and unambiguous, either party may insist on its rights under the rule by serving notice upon the other that a practice is discontinued. The Organization contends that in paying Canadian Division engineers the U.S. dollar amounts called for in the schedule in Canadian dollars unadjusted for the exchange rate, CSX writes itself a discount in wages equal to the exchange rate; and the Agreement, absent a provision so providing, cannot possibly be read in such a tortured fashion.

Form 1

Award No. 23963
Docket No. 43610
89-1-89-1-C-4433

The Carrier contends that it has paid Canadian employees who reside and work in Canada the rates of pay set forth in the Agreement in Canadian dollars unadjusted for the exchange rate between the United States and Canada for many years. The Carrier contends that past practice is controlling in seeking the intentions of the parties where the provisions of the Agreement are ambiguous.

The record does not support the Organization's contention that the Agreement clearly and unequivocally sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. A strong case can be made for the Organization's position as to meaning, but it is not clear and unequivocal in support of the Organization's interpretation. The rates of pay in the Agreement Rules are stated in dollars ($). Canada's currency is dollars and so is the U.S. currency. The Carrier reads the contract as requiring it to pay employees who work and reside in Canada in Canadian dollars. such is also a possible reading of the contract. We find therefore that the contract language used by the parties does not clearly and unequivocally support the Organization's position that the Agreement sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. Rather, we find that the contract language is ambiguous.

What is as clear as a bell, however, is that for the period of 25 to 30 years according to the actual memory of individuals in a position to know, and for an indefinite period prior thereto, the Carrier has made payment to its employees

working and residing in Canada in Canadian dollars, without an adjustment for the exchange rate differences between the U.S. and Canada. We find that this longstanding, open, and unchallenged practice, which was applied to every conductor, trainman, and engineer for at least the past thirty years is controlling in determining the parties intent where the Agreement is ambiguous, as has been determined in this case. We find that the Carrier has not violated the Agreement and past practices by paying its employees in Canadian dollars unadjusted for the exchange rate between the U.S. and Canada. We must therefore answer the question before this Board in the negative.

The Carrier states in its Submission that the remedy for the Organization to pursue is to negotiate a new rule if it desires to change the application of the current Agreement. The Carrier is correct in this regard. While the United States Supreme Court has recognized, regarding negotiating new agreements, that the procedures of the Railway labor Act are purposely long and drawn out (UTU v. Long Island Rail Road Co., 102 S.Ct. 1349 (1982)), negotiating a single new rule certainly does not have to involve such a process. The Organization in effect sees a form of discrimination in the Carrier's method of paying Canadian employees, asserting that such employees are receiving far less actual pay than their American counterparts for performing the same service. Exchange rates are a function of many economic factors which can properly be pursued and studied in negotiations along with evidence showing the actual purchasing

power of Canadian dollars in Canada versus the purchasing power of American dollars in the U.S. and all other relevant factors. In negotiations, then, the parties may fully study the problem. The Carrier has absolutely no interest in discriminating against its employees on the basis of race, color, creed, sex, national origin, age or handicap not just because the law prohibits such, but also because it is simply not ethical or "right." Indeed the Carrier expends significant resources to accomplish what is "right" in the before mentioned areas. In the instant matter, the Organization in negotiations has to prove the problem to the Carrier, and based on all factors, it is reasonable to expect that the Carrier will do what is "right."

Form 1

Award No. 23963
Docket No. 43610
89-1-89-1-C-4433

A W A R D

Claim denied.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of First Division

Attest:_____
Nancy J. Dever - Executive Secretary

Dated at Chicago, Illinois, this 27th day of October 1989.

Form 1

Award No. 23964
Docket No. 43612
89-1-89-1-C-4434

NATIONAL RAILROAD ADJUSTMENT BOARD
FIRST DIVISION

The First Division consisted of the regular members and in addition Referee David P. Twomey when award was rendered.

PARTIES TO DISPUTE: (CSX Transportation, Inc.
(
(Brotherhood of Locomotive Engineers

STATEMENT OF CLAIM:

"Has the Carrier violated the collective bargaining agreement and the past practices by paying its employees in Canada with Canadian dollars unadjusted for the exchange rate between the U.S. and Canada?"

FINDINGS:

The First Division of the Adjustment Board upon the whole record and all the evidence, finds that:

Form 1

Award No. 23964
Docket No. 43612
89-1-89-1-C-4434

The carrier or carriers and the employe or employes involved in this dispute are respectively carrier and employes within the meaning of the Railway Labor Act as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

The Organization contends that the applicable Agreement Rules clearly and unequivocally set wages in terms of U.S. dollars for all members of the collective bargaining group. It contends that there is no exception to these Rules allowing the Carrier to reduce schedule wages paid to Canadians. The Organization contends, moreover, that if a binding practice existed, it was dissolved because (a) practice does not supersede a clear, controlling and specific rule; and (b) where a rule is clear and unambiguous, either party may insist on its rights under the rule by serving notice upon the other that a practice is discontinued. The Organization contends that in paying Canadian Division engineers the U.S. dollar amounts called for in the schedule in Canadian dollars unadjusted for the exchange rate, CSX writes itself a discount in wages equal to the exchange rate; and the Agreement, absent a provision so providing, cannot possibly be read in such a tortured fashion.

The Carrier contends that it has paid Canadian employees who reside and work in Canada the rates of pay set

forth in the Agreement in Canadian dollars unadjusted for the exchange rate between the United States and Canada for many years. The Carrier contends that past practice is controlling in seeking the intentions of the parties where the provisions of the Agreement are ambiguous.

The record does not support the Organization's contention that the Agreement clearly and unequivocally sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. A strong case can be made for the Organization's position as to meaning, but it is not clear and unequivocal in support of the Organization's interpretation. The rates of pay in the Agreement Rules are stated in dollars ($). Canada's currency is dollars and so is the U.S. currency. The Carrier reads the contract as requiring it to pay employees who work and reside in Canada in Canadian dollars. Such is also a possible reading of the contract. We find therefore that the contract language used by the parties does not clearly and unequivocally support the Organization's position that the Agreement sets the wages of Canadian employees who reside and work in Canada in terms of U.S. dollars. Rather, we find that the contract language is ambiguous.

What is as clear as a bell, however, is that for the period of 25 to 30 years according to the actual memory of individuals in a position to know, and for an indefinite period prior thereto, the Carrier has made payment to its employees working and residing in Canada in Canadian dollars, without an adjustment for the exchange rate differences between the U.S. and Canada. We find that this longstanding, open, and

unchallenged practice, which was applied to every engineer, conductor and trainman, for at least the past thirty years is controlling in determining the parties intent where the Agreement is ambiguous, as has been determined in this case. We find that the Carrier has not violated the Agreement and past practices by paying its employees in Canadian dollars unadjusted for the exchange rate between the U.S. and Canada. We must therefore answer the question before this Board in the negative.

The Carrier states in its Submission that the remedy for the Organization to pursue is to negotiate a new rule if it desires to change the application of the current Agreement. The Carrier is correct in this regard. While the United States Supreme Court has recognized, regarding negotiating new agreements, that the procedures of the Railway Labor Act are purposely long and drawn out (UTU v. Long Island Rail Road Co., 102 S.Ct. 1349 (1982)), negotiating a single new rule certainly does not have to involve such a process. The Organization in effect sees a form of discrimination in the Carrier's method of paying Canadian employees, asserting that such employees are receiving far less actual pay than their American counterparts for performing the same service. Exchange rates are a function of many economic factors which can properly be pursued and studied in negotiations along with evidence showing the actual purchasing power of Canadian dollars in Canada versus the purchasing power of American dollars in the U.S. and all other relevant factors. In negotiations, then, the parties may fully study the problem. The Carrier has absolutely no interest in

discriminating against its employees on the basis of race, color, creed, sex, national origin, age or handicap not just because the law prohibits such, but also because it is simply not ethical or "right." Indeed the Carrier expends significant resources to accomplish what is "right" in the before mentioned areas. In the instant matter, the Organization in negotiations has to prove the problem to the Carrier, and based on all factors, it is reasonable to expect that the Carrier will do what is "right."

Docket No. 43612
89-1-89-1-C-4434

A W A R D

Claim denied.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of First Division

Attest:_____
Nancy J. Dever - Executive Secretary

Dated at Chicago, Illinois, this 27th day of October 1989.

Form 1

Award No. 23962
Docket No. 43596
89-1-88-1-C-4417

NATIONAL RAILROAD ADJUSTMENT BOARD

FIRST DIVISION

The First Division consisted of the regular members and in addition Referee David P. Twomey when award was rendered.

PARTIES TO DISPUTE: (CSX Transportation, Inc.
(
(United Transportation Union

STATEMENT OF CLAIM:

"Is a dispute over whether the Carrier is required to pay its employees in Canada with Canadian or American dollars required to be arbitrated under the terms of the Collective Bargaining Agreement?"

FINDINGS:

The First Division of the Adjustment Board upon the whole record and all the evidence, finds that:

The carrier or carriers and the employe or employes involved in this dispute are respectively carrier and

employes within the meaning of the Railway Labor Act as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

The parties have agreed that the question before the Board in this case is now moot. The matter is therefore dismissed.

A W A R D

Claim dismissed.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of First Division

Attest:_____
Nancy J. Dever - Executive Secretary

Dated at Chicago, Illinois, this 27th day of October 1989.

Form 1

Award No. 23959
Docket No. 43593
89-1-88-1-C-4416

NATIONAL RAILROAD ADJUSTMENT BOARD

FIRST DIVISION

The First Division consisted of the regular members and in addition Referee David P. Twomey when award was rendered.

PARTIES TO DISPUTE: (CSX Transportation, Inc.
(
(Brotherhood of Locomotive Engineers

STATEMENT OF CLAIM:

"Is a dispute over whether the Carrier is required to pay its employees in Canada with Canadian or American dollars required to be arbitrated under the terms of the Collective Bargaining Agreement?"

FINDINGS:

The First Division of the Adjustment Board upon the whole record and all the evidence, finds that:

The carrier or carriers and the employe or employes involved in this dispute are respectively carrier and employes within the meaning of the Railway Labor Act as approved June 21, 1934.

This Division of the Adjustment Board has jurisdiction over the dispute involved herein.

Parties to said dispute were given due notice of hearing thereon.

The parties have agreed that the question before the Board in this case is now moot. The matter is therefore dismissed.

A W A R D

Claim dismissed.

NATIONAL RAILROAD
ADJUSTMENT BOARD
By Order of First Division

Attest:_____
Nancy J. Dever - Executive Secretary

Dated at Chicago, Illinois, this 27th day of October 1989.

Supreme Court, U.S.
FILED
JAN 17 1991
ROBERT F. SPANIOL, JR.
CLERK

(3)

No. 90-993

In the

Supreme Court of the United States

October Term, 1990

CSX TRANSPORTATION, INC.,

Petitioner,

vs.

STEPHEN RASTALL and TIMOTHY GOWDEY,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Richard A. Allen
Counsel of Record
Richard P. Schweitzer
ZUCKERT, SCOUTT &
RASENBERGER
888 Seventeenth Street, NW
Suite 600
Washington, DC 20006-3959
202/298-8660

Attorneys for Respondents
Stephen Rastall and
Timothy Gowdey

January 17, 1991

Balmar Legal Publishing Division, Washington, D.C. 20005, (202) 659-3610

QUESTIONS PRESENTED

Respondents submit that the decision below presents the following questions:

1. Whether the Railway Labor Act applies to and requires arbitration of breach of contract claims by Canadian employees of a U.S.-based railroad who are employed outside the United States.

2. Whether the collective bargaining agreements between petitioner and respondents' unions preclude respondents from pursuing their breach of contract claims in a court action.

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No. 90-993

In the

Supreme Court of the United States

October Term, 1990

CSX TRANSPORTATION, INC.,

Petitioner,

vs.

STEPHEN RASTALL and TIMOTHY GOWDEY,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

STATEMENT OF THE CASE

Respondents are two citizens of Canada who reside in the Province of Ontario and who work entirely in that Province as hourly employees for petitioner CSX Transportation, Inc. Beginning in 1986 respondents and other employees began submitting grievances to petitioner complaining of petitioner's practice of paying its Canadian employees in Canadian dollars without adjustment for differences in the exchange rate which, by 1986, had brought the value of the Canadian dollar down to 72 cents in U.S. currency.[1] Respondents believed that they were entitled under their collective bargaining agreements to the same wages, in real terms, as their fellow American employees. This belief was based on the facts, among others, that the agreements, which specify wages only in "$", were all negotiated and

[1] Until recent years the value of U.S. and Canadian dollars had been substantially equal, fluctuating within a range of a few percentage points. Since 1978 the value of the Canadian dollar has declined dramatically relative to the United States dollar.

executed in the United States by an employer and unions based in the United States on behalf of employees 99.4 percent of whom live and work in the United States, and that nothing in the agreements suggested that employees performing the same work would be compensated differently.[2]

After officials of petitioner denied respondents' grievances and appeals, respondents filed this action in February 1988 in the District of Columbia Superior Court for breach of contract. They filed the suit as a class action on behalf of themselves and their fellow Canadian employees of petitioner. They have been trying for two years, so far without success, to obtain an adjudication of the merits of their claim by that court.

Respondents filed their suit in the superior court rather than pursue their claims through the arbitration procedures established by the Railway Labor Act, 45 U.S.C. § 151 *et seq.*, for two reasons. First, as the court of appeals noted (Pet. App. A-5), judicial decisions going back almost 40 years — which petitioner conspicuously ignores — have consistently held that the Railway Labor Act has no application to non-U.S. employees of U.S. carriers performing service entirely outside the United States.[3] Second, as the court of appeals held, (Pet. App. A-9 to A-17), the twelve collective bargaining agreements covering respondents and their fellow Canadian employees[4] contain

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[2] On the contrary, respondents believe that the agreements contain a number of provisions strongly refuting any such suggestion.

[3] *Air Line Dispatchers Ass'n v. National Mediation Board*, 189 F.2d 685 (D.C. Cir.), *cert. denied*, 342 U.S. 849 (1951); *Air Line Stewards and Stewardesses Ass'n v. Northwest Airlines*, 267 F.2d 170, 175 (8th Cir.), *cert. denied*, 361 U.S. 901 (1959); *Air Line Stewards and Stewardesses Ass'n v. Trans World Airlines, Inc.*, 173 F. Supp. 369, 374-78 (S.D.N.Y.), *aff'd*, 273 F.2d 69 (2d Cir. 1959), *cert. denied*, 362 U.S. 988 (1960); *General Comm. of Adjustment v. United States*, 102 L.R.R.M. (CCH) 2869, 2871 (D. Minn. 1979), *aff'd sub nom. General Committee of Adjustment v. Burlington Northern Ry. Co.*, 620 F.2d 161 (8th Cir.), *cert. denied*, 449 U.S. 826 (1980); *Independent Union of Flight Attendants v. Pan American World Airways*, Av. L. Rep. (CCH) ¶ 18,452 (N.D. Cal. 1989); *Vollmar v. CSX Transportation, Inc.*, 705 F. Supp. 1154, 1164-65 (E.D. Va. 1989), *aff'd on other grounds*, 898 F.2d 413 (4th Cir. 1990).

[4] Petitioner, like other U.S. railroads, is unionized on a craft-by-craft basis. Respondents and their fellow Canadian employees are members of twelve different crafts, each of which is covered by a separate collective bargaining agreement with petitioner.

provisions expressly permitting employees to pursue their claims in court after they have been rejected by petitioner.[5]

Petitioner, however, immediately removed the case to federal court, claiming (despite the long line of consistent decisions to the contrary) that the Railway Labor Act applied to the dispute. Petitioner then moved the federal court to dismiss the suit on the grounds that the Railway Labor Act and the collective bargaining agreements required arbitration. United States District Judge Gesell, however, held that the Railway Labor Act did not apply, denied the motion to dismiss and remanded the case to the superior court. *Rastall v. CSX Corp.*, 696 F. Supp. 683 (D.D.C. 1988).

Back in the superior court petitioner renewed its arguments that the Railway Labor Act and the agreements required arbitration. The superior court made no ruling with respect to the Railway Labor Act, but it held that the agreements required arbitration and therefore dismissed the suit. Pet. App. A-19 to A-22. The superior court did not base its decision on the relevant language of the agreements, but on its conclusion that it would be anomalous to construe the agreements to give Canadian employees a judicial forum for dispute resolution that the Railway Labor Act denies to U.S. employees.

Respondents appealed. Pending the appeal, and in view of the superior court's decision, respondents and some of their fellow employees presented their currency claims in eleven separate submis-

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[5] In support of its contrary contention (*i.e.*, that the agreements require arbitration) petitioner's description of the dispute resolution provisions in the various agreements (Pet. 4-5) is highly selective and seriously misleading. Thus, petitioner quotes Rule 32(1)(c) of the Carmen's agreement, which provides for the submission of grievances to the National Railway Adjustment Board, but fails to note, until three pages later, that Rule 32(4) of that Agreement goes on to provide that "[t]his Rule is not intended to deny the right of the employees to use *any other lawful action* for the settlement of claims or grievances provided such action is instituted within 9 months of the date of the decision of the highest designated officer of the carrier." (Emphasis supplied.) *See* Pet. App. A-9. Petitioner also completely ignores the dispute resolution provisions in five of the agreements, which make no reference whatever to arbitration or the NRAB, but which broadly authorize each employee to institute proceedings "before a tribunal having jurisdiction pursuant to law or agreement of the claim or grievance involved." Pet. App. A-10.

sions[6] to the National Railroad Adjustment Board ("NRAB"), the arbitration board established by the Railway Labor Act. In doing so they stated to the NRAB that they were not waiving or in any way receding from their position that the NRAB had no jurisdiction over the dispute and that they were submitting their claims only because they were required to do so by a court decision they believed to be wrong and were appealing. After the court of appeals reversed the superior court, respondents and the other employees requested to withdraw their submissions to the NRAB. The NRAB permitted the withdrawal of ten of the submissions but refused to permit withdrawal of one of the submissions because oral argument had been completed. The same NRAB referee who had earlier decided the CSXT submissions in CSXT's favor (*see* n. 6, *supra*) subsequently rejected the employees' claims in that case for the same reasons. (Pet. Supp. App. SA-167 to SA-171).[7] The affected employees have filed an action to

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[6] In accordance with the NRAB's practice, a separate submission was made for all employees in each separate craft.

Several months earlier, on October 3, 1988 CSXT had submitted to the NRAB the question whether the collective bargaining agreements required the currency dispute to be arbitrated. Neither CSXT nor the NRAB gave any notice of the submission to respondents or their counsel. Two unions, the United Transportation Union ("UTU") and the Brotherhood of Locomotive Engineers ("BLE") responded to this submission by addressing the merits of the currency dispute rather than the arbitrability question that was submitted. CSXT then agreed to treat its submission as a submission on the merits. Neither union challenged the jurisdiction of NRAB and the UTU declined to present any oral argument. A neutral NRAB referee ultimately ruled in favor of CSXT, finding that although "a strong case can be made" for the employees' contractual contentions, their claims were foreclosed by their past practice of accepting wages in Canadian currency. (Pet. Supp. App. SA-175 to SA-176). An action to set aside this decision on jurisdictional grounds has been filed in the United States District Court for the District of Columbia. *Allen, et al. v. CSX Transportation, Inc. and National Railroad Adjustment Board*, No. 90-3045 (D.D.C., filed December 14, 1990.)

[7] Petitioner erroneously states that the attorney for the employees withdrew the other submissions after the neutral referee rendered his decision in this one case (Pet. 6-7), as if to suggest that the employees waited to see what the decision was before deciding whether to submit their claims to the NRAB for decision. The employees sought to withdraw all of their submissions as soon as the court of appeals ruled that the Railway Labor Act did not apply and that the agreements did not require arbitration, and they consistently disputed the jurisdiction of the NRAB over these disputes.

set aside that decision on jurisdictional grounds. *Allen, et al. v. CSX Transportation, Inc., and National Railroad Adjustment Board*, No. 90-3045 (D.D.C., filed December 14, 1990).

On May 8, 1990 a panel of the District of Columbia Court of Appeals unanimously reversed the superior court and remanded the case for trial. In accordance with every other court decision which has addressed the issue, including Judge Gesell's earlier decision in this case and the recent decision of United States District Judge Ellis in another breach of contract suit brought by two of respondents' fellow Canadian employees against CSXT,[8] the court of appeals held that the Railway Labor Act "does not apply to foreign employees performing services entirely outside the United States." Pet. App. A-4. The court noted that its reading of the Railway Labor Act was in accord with "the consistent body of federal law elsewhere holding that the Railway Labor Act has no extraterritorial effect." (Pet. App. A-4 to A-5, citing cases.)[9]

The court of appeals also held that neither the Labor Management Relations Act, 29 U.S.C. §§ 185 *et seq.*, nor the Canadian Labour Code, assuming either of them applied, required arbitration of the employees' claims in this case (Pet. App. A-5 to A-6).

Finally, the court held that all of the collective bargaining agreements permitted petitioner's Canadian employees to pursue their grievances through court action (Pet. App. A-8 to A-17). Unlike the superior court, the court of appeals analyzed the language of the pertinent contract provisions and concluded that "the agreements are unambiguous in leaving the employees the choice of submitting their grievances to arbitration or resolving them in court." (Pet. App. A-14). The court's reasoning was in accord with the analysis and conclusions of Judge Ellis in *Vollmar v. CSX Transportation, Inc.*, on the same issue and the same contract provisions. *See* 705 F. Supp. at 1168-1170.

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[8] *Vollmar v. CSX Transportation, Inc.*, 705 F. Supp. 1154, 1164-65 (E.D. Va. 1989), *aff'd on other grounds*, 898 F.2d 413 (4th Cir. 1990).

[9] In view of the cited decisions, petitioner's characterization of the court of appeals decision as "unprecedented in U.S. labor law" (Pet. 7) is preposterous.

Petitioner filed a petition for rehearing en banc. No judge on the court of appeals requested a vote on the petition and it was denied on October 10, 1990 (Pet. App. A-23).

SUMMARY OF ARGUMENT

There is no basis whatever for this Court's review of any of the issues presented by the court of appeals decision. There is no conflict among the state courts or the federal courts of appeals on any of the issues decided by the court below. On the contrary, that court followed and applied a consistent line of court decisions going back to 1951 regarding the territorial scope of the Railway Labor Act.

Nor does the case present any issue of general importance. Whether or not the court of appeals correctly decided that the particular collective bargaining agreements covering petitioner's employees permitted those employees to pursue their breach of contract claims in court is an extremely narrow issue that has no significance to anyone other than the parties to this case. It is an issue that turns on the language and provisions of these particular agreements, which are themselves subject to renegotiation by the parties at any time.

Finally, the ruling is essentially interlocutory. The court of appeals remanded the case for trial and petitioner may prevail on the merits at trial. There is no reason whatever for this Court to review any of the issues at this time even if they were otherwise worthy of review.

ARGUMENT

THE DECISION OF THE COURT OF APPEALS DOES NOT WARRANT THIS COURT'S REVIEW.

I. The Decision Below Does Not Conflict With the Decisions of Any Other State or Federal Court or With the Decisions of This Court.

Petitioner does not even contend that the decision of the court of appeals conflicts with the decisions of any other state court or any federal court of appeals. Nor could it so contend in view of the fact

that the court's ruling that the Railway Labor Act did not apply to respondents' claims is in accord with every other court decision that has considered the issue. *See* n. 3, *supra*.[10]

Petitioner scarcely acknowledges these decisions and its efforts to distinguish them (Pet. 16) are wholly insubstantial. While petitioner argues that most of the cases cited by the court of appeals involved representational disputes rather than contract disputes, that fact is completely irrelevant to the principle which they established and to the issue in this case: whether the Railway Labor Act applies to foreign employees of U.S. carriers performing service outside the United States.[11] Petitioner also argues that the one case that did involve a contract dispute, *General Comm. of Adjustment v. Burlington Northern, Inc.*, 620 F.2d 161 (8th Cir.), *cert. denied*, 449 U.S. 826 (1980), is inapplicable because that case involved "no issue whether the carrier and union, by agreement, could apply the [Railway Labor Act's arbitration] procedures to all grievances." (Pet. 16). The present case, however, also does not involve such issue. In this case the court of appeals found that the agreements do *not* require the employees to pursue their grievances through the RLA's grievance procedures. This case does not involve the issue whether the agreements *could* have done so. Petitioner's argument under the Railway Labor Act is that that statute applies to this dispute and requires arbitration *regardless* of what the agreements provide. *General Comm. of Adjustment v. Burlington Northern* and all of the other cases relied on by the court below are directly relevant to that argument and have consistently rejected it.

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[10] Furthermore, as the Eighth Circuit noted in *Air Line Stewards and Stewardesses Ass'n v. Northwest Airlines*, 267 F.2d at 174, a 1955 Senate committee report acknowledged with approval the decision of the District of Columbia Circuit in *Air Line Dispatchers Ass'n v. National Mediation Board* and the 1949 National Mediation Board decision which it affirmed and declined to alter the "long-established doctrine that the labor laws of [our] country should not be given extraterritorial affect...." Sen. Doc. No. 163, 83d Cong., 2d Sess. Aviation Study 69-70 (1955).

[11] Petitioner's statement of this issue in its first "Questions Presented" is puzzling because it seems to suggest that in petitioner's view the applicability of the Railway Labor Act turns on whether "the Canadian employees are members of a craft or class composed of predominantly U.S. employees." Petitioner never contended to the courts below that the applicability of the Railway Labor Act turns on whether or not respondents' unions have more U.S. members than non-U.S. members, and does not make that argument in its petition.

Petitioner's claim that the decision below conflicts with decisions of this Court (Pet. 10-15) is completely baseless. None of the cases cited by petitioner involved foreign employees working outside the United States, and therefore none of them involved the issue presented here. Those cases merely held that when the Railway Labor Act applies, it requires arbitration of contract disputes. They are in no way inconsistent with the court of appeals' conclusion that the Railway Labor Act does not apply to disputes involving foreign employees employed outside the United States and therefore does not require arbitration of those disputes. Furthermore, while this Court has never directly addressed the territorial scope of the Railway Labor Act, the substantial and uniform body of lower court opinions on that issue is fully in accord with this Court's decisions on the territorial scope of other federal labor statutes such as the National Labor Relations Act, 29 U.S.C. §§ 151 *et seq.*, and the Labor Management Relations Act, 29 U.S.C. §§ 185 *et seq.* *See Benz v. Compania Naviera Hidalgo, S.A.*, 353 U.S. 138 (1957) (holding that the LMRA applies only to "the working men of our own country and its possessions"). *See also, American Radio Ass'n v. Mobile Steamship Ass'n, Inc.*, 419 U.S. 215 (1974); *Windward Shipping (London) Ltd. v. American Radio Ass'n*, 415 U.S. 104 (1974); *McCullouch v. Sociedad Nacional de Marineros de Honduras*, 372 U.S. 10 (1963); *Incres S.S. Co. v. International Maritime Workers Union*, 372 U.S. 24 (1963).[12]

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[12] The extraterritorial effect of statutes turns on the intent of Congress as reflected in the words of the statute and the legislative history. As the Court said in *Foley Bros., Inc. v. Filardo*, 336 U.S. 281, 286 (1949), "[a]n intention so to regulate labor conditions which are the primary concern of a foreign country should not be attributed to Congress in the absence of a clearly expressed purpose." Petitioner has pointed to nothing in the language or history of the Railway Labor Act to support its claim that it applies here. Petitioner merely argues (Pet. 13-14) that the Railway Labor Act is applicable because respondents elected to pursue their claims in U.S. courts. Petitioner did not make this argument to the court of appeals and it is baseless. Under the test established by the cases, the Railway Labor Act does not apply to dispute involving "employees who are hired and who perform services completely outside the United States and its territories." *Airline Stewards and Stewardesses Ass'n v. Northwest Airlines*, 267 F.2d at 175. The scope of the Act does not turn on where those employees seek a remedy for their contract claims.

The issue in this case has little similarity to the issue regarding the scope of Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e *et seq.*, which is before this Court in *Equal Employment Opportunity Commission v. Arabian American Oil Co.*,

There is also no merit to petitioner's claim (Pet. 13) that the decision below warrants this Court's review because it conflicts with many decisions of the NRAB. Contrary to petitioner's implication, decisions of the NRAB and its sister agency, the National Mediation Board, are not consistent on this point; moreover, the clear weight of those decisions is in fact *against* petitioner's position. *See, e.g., General Comm. of Adjustment*, 102 L.R.R.M. at 2870 (citing five NRAB cases "involv[ing] disputes on work performed in Canada where the Board held it[self] to be without jurisdiction to entertain the controversy"); NMB Case No. R-1150, slip op. at 2 (April 15, 1945) (holding that railroad employees who worked exclusively in Canada were not entitled to vote for their representatives under the Railway Labor Act); *see also Oil Chemical Atomic Workers Int'l. Union*, 11 NMB No. 56 at 151 (Feb. 3, 1984). In contrast, only two of the NRAB decisions cited by CSXT specifically addressed the issue of the Board's jurisdiction; in the others, which involved disputes over fairly insignificant matters, no party appears to have questioned it (*see* Pet. Supp. App. SA-87 to SA-129). Moreover, the two decisions that did address the issue are devoid of any coherent rationale for rejecting the applicability of *Air Line Dispatchers* and other cases. *See* Pet. Supp. App. SA-70 to SA-72, SA-168. In any event, these decisions, which are generally non-appealable, do not constitute authoritative rulings of law and provide no basis for questioning the consistent body of judicial decisions on this issue.

II. The Decision Below Is Not In Conflict With Federal Labor Policy or Canadian Labor Law and Presents No Issue of General Importance.

Having determined that the Railway Labor Act does not apply and therefore does not require arbitration of respondents' claims, the court of appeals then considered and rejected petitioner's contention that the collective bargaining agreements themselves required arbitration of the claims. Petitioner argues that this latter ruling somehow violated federal labor policy and Canadian labor law and will have important consequences for railroad labor relations. (Pet. 16-25.) There is no merit to any of these contentions.

No. 89-1838, and *Boureslan v. Arabian American Oil Co.*, No. 89-1845. The issue in those cases involves a very different statute and its application to U.S. citizens employed by U.S. companies in other countries.

As the court of appeals itself acknowledged (Pet. App. A-14), federal labor law favors the arbitration of labor disputes, but it does not compel arbitration or preclude parties from providing for non-arbitral means of resolving contract disputes, as this Court recently reaffirmed in *Groves v. Ring Screw Works*, 111 S. Ct. 498 (1990). Petitioner seems to contend that the court of appeals violated federal policy by the very act of examining and interpreting the provisions of the collective bargaining agreements (Pet. 11-12, 16), but petitioner does not explain how else the court was supposed to rule on *petitioner's* claim that the agreements required arbitration.[13] Furthermore, petitioner does not object to the superior court's having interpreted the agreements; its real complaint is with the result reached by the court of appeals.

Petitioner's bald assertion that the Canadian Labour Code would require arbitration of this dispute (Pet. 8) is simply wrong, and its argument that the court of appeals violated principles of comity by failing to apply Canadian law (Pet. 19-23) completely ignores the court of appeals' careful analysis of the Canadian Labour Code (Pet. App. A-6 to A-8) and its clearly correct conclusion that that Code does *not* require arbitration of disputes where, as the court found in this case, the agreements permit other means of dispute resolution. As the Canadian Supreme Court stated in *St. Anne Nackawic Pulp & Paper Co., Ltd. v. Canadian Paper Workers Union Local 219* [1986] 1 S.C.R. 704, 723, the words of the Canadian statute "indicate that, if they so choose, the parties may validly provide for a variety of other sorts of settlement mechanisms, including recourse to the courts." (Quoted by the court of appeals at Pet. App. A-7.)[14]

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[13] Nor does petitioner explain how or why interpreting these agreements according to "federal principles" (Pet. 17) should have led the court of appeals to interpret them differently.

[14] Petitioner also argues that principles of comity should have impelled the courts below to decline to exercise jurisdiction over respondents' complaint and require them to file suit in Canadian courts (Pet. 20). Respondents are unaware of any principle of "comity" which would deny foreign citizens access to the courts of this country to assert breach of contract claims against a U.S. company that is subject to the court's jurisdiction. In any event, this argument was never made to the courts below and should not be considered here.

Petitioner's contention that the decision below will have important consequences for labor relations in the railroad industry (Pet. 23-25) is simply fanciful. In holding that the Railway Labor Act does not apply to this dispute the court of appeals applied well-settled law, which the courts have consistently followed for 40 years without any discernable adverse effects on labor relations in the railroad industry. The court's further ruling that the particular agreements between CSXT and its unions do not require the arbitration of disputes presents no federal question, is limited to these agreements and has no importance to anyone other than the parties to this case.[15] Petitioner's suggestion (Pet. 24) that the ruling below could subject petitioner to conflicting obligations toward its foreign and U.S. employees overlooks the fact that the claim in this case is by its nature limited to petitioner's Canadian employees (as a result of petitioner's choosing to treat its Canadian employees differently from its U.S. employees.)[16] Furthermore, petitioner is free at any time to seek renegotiation and revision of the dispute resolution provisions of its agreements to require arbitration of all grievances, including those by its Canadian employees.

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[15] The ruling was also clearly correct; indeed, petitioner does not even attempt to demonstrate any flaws in the court's analysis of the contractual provisions, but merely asserts that its own position was "plausible" and "arguably justified." (Pet. 15.) Moreover, the "explanation" of the contractual provisions it now offers (through different counsel) (Pet. 15) was never suggested to the court of appeals and petitioner did not cite to that court the case or the statutes cited at Pet. 15, n. 12. Furthermore, contrary to petitioner's claim, respondents' Canadian law expert did not admit that this so-called "explanation" was plausible (*see* Pet. Sup. App. SA-137 to SA-138).

[16] Furthermore, petitioner's contention that arbitration before the NRAB ensures uniformity of contract interpretation is belied by a recent report on the railroad arbitration system issued by the National Mediation Board and a committee of railroad and union representatives, entitled "Section 3 Report" (December 8, 1987) and set forth in the record below at R. 654-677. In addition to finding the system overloaded, unmanageable and unresponsive to the needs of parties and grievants, the report found that inconsistency of decisions on the same issue by different arbitration panels, whose decisions are largely unreviewable, was a significant problem. R. 661, 676-677.

III. The Decision Below Is Essentially Interlocutory and There Is No Reason for this Court's Review At This Time In Any Event.

Even if the issues were otherwise worthy of this Court's review, which respondents submit they are not, there is no reason for this Court to exercise its discretion to review any of those issues at this time. The court of appeals remanded the case for a trial at which petitioner may prevail on the merits and thereby moot the issues. The decision is therefore essentially interlocutory and that circumstance is a further reason why the petition for review should be denied. *See Brotherhood of Locomotive Firemen v. Bangor & Aroostock R. Co.*, 389 U.S. 327, 328 (1967) (denying certiorari "because the Court of Appeals remanded the case [and thus] it is not yet ripe for review by this Court"); *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 258 (1916).[17]

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[17] Petitioner contends that the ruling of the court of appeals on the Railway Labor Act is "final" as to that issue and that this Court therefore has jurisdiction to review that ruling under 28 U.S.C. § 1257(a), citing *Cox Broadcasting Corp. v. Cohn*, 420 U.S. 469, 482 (1975). The fact that the Court may have jurisdiction to review that ruling does not mean that the Court should in its discretion exercise that jurisdiction when, as here, further proceedings may moot the issue and there are no special reasons why it should be reviewed immediately.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

/s/

Richard A. Allen
Counsel of Record
Richard P. Schweitzer
ZUCKERT, SCOUTT &
RASENBERGER
888 Seventeenth Street, NW
Suite 600
Washington, DC 20006-3959
202/298-8660

Attorneys for Respondents
Stephen Rastall and
Timothy Gowdey

Supreme Court, U.S.
FILED
JAN 28 1991
JOSEPH F. SPANIOL, JR.
CLERK

(4)

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REPLY OF PETITIONER CSX TRANSPORTATION, INC. TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Nicholas S. Yovanovic
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, FL 32202
(904) 359-1244

H. Russell Smouse
Jack L.B. Gohn
Whiteford, Taylor & Preston
Suite 1400
Seven St. Paul Street
Baltimore, MD 21202
(301) 347-8700

Ronald M. Johnson
Counsel of Record
Charles L. Warren
Victoria A. Higman
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 887-4114

Attorneys for Petitioner
CSX TRANSPORTATION, INC.

January 28, 1991

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No. 90-993

In the
Supreme Court of the United States
October Term, 1990

CSX TRANSPORTATION, INC.,
Petitioner,

vs.

STEPHEN RASTALL and TIMOTHY GOWDEY,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

REPLY OF PETITIONER CSX TRANSPORTATION, INC. TO RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

I. The Decision Below Is Unprecedented And Irreconcilable With The Jurisdictional Limitations Imposed By The Railway Labor Act

As CSX Transportation, Inc. ("CSXT") showed in its Petition, by interpreting CSXT's collective bargaining agreements with its unions to permit CSXT's Canadian employees to pursue breach of contract claims in state court actions, the court below violated the restriction on court jurisdiction over "minor" disputes imposed by the Railway

Labor Act ("RLA").[1] The court below found this restriction -- which it acknowledged would apply had the suit been brought by U.S. employees -- to be inapplicable on the grounds that Respondents, who live and work in Canada, are not subject to the RLA. Respondents assert that in ruling that the RLA does not have extraterritorial application, the court of appeals "followed and applied a consistent line of court decisions going back to 1951." Resp. Br. at 6.

Contrary to the premise underlying Respondents' assertion and the court of appeals decision, this case does not involve extraterritorial application of the RLA. The issue before the court of appeals involved a dispute over the meaning of grievance provisions in federal[2] collective bargaining agreements between a U.S.-based railroad and unions which represent that railroad's employees -- a classic "minor" dispute that this Court's decisions make clear is committed to the exclusive jurisdiction of adjustment boards. Where Respondents live or work is irrelevant to the applicability in a U.S. court of the RLA's jurisdictional limitations. Only if *an adjustment board* finds that the collective agreements and past practices permit

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[1]This Court's decisions, without exception, establish that when presented with a labor dispute in the railroad industry, the resolution of which requires the interpretation of a collective bargaining agreement or examination of the parties' past practices, a court's role is limited to determining whether the asserted contractual basis for the action being challenged is "arguably justified" by the terms of the agreement or past practice. *E.g., Consolidated Rail Corp. v. RLEA*, 109 S. Ct. 2477, 2482, 2484, 2485 (1989) ("*Conrail*"). If a court finds that the action is arguably justified by the agreement or past practice, it has no jurisdiction over the dispute and *must* defer to the compulsory arbitration procedure specified by the Act, 45 U.S.C § 153. *Conrail*, 109 S.Ct. at 2480, 2484.

[2]As this Court has held, railroad industry collective bargaining agreements are federal contracts, not common law contracts. *IAM v. Central Airlines, Inc.*, 372 U.S. 682 (1963). Whatever the citizenship of the affected employees, disputes over the interpretation of such contracts are committed to the exclusive jurisdiction of adjustment boards. Respondents, who are claiming rights in the United States under railroad industry agreements, cannot be permitted to ignore the exclusively federal character of those agreements in attempting to enforce their alleged rights.

Canadian employees to bypass the agreements' arbitration procedures will the state court have jurisdiction to decide the underlying dispute over the form of payment for CSXT's Canadian employees.[3]

The cases cited by Respondents and the court of appeals are not conclusive on the issue presented here. Three of the six cases did not involve the question of jurisdiction to interpret collective bargaining agreements.[4] In *Vollmar v. CSX Transportation, Inc.*, 705 F. Supp. 1154 (E.D. Va. 1989), *aff'd on other grounds*, 898 F.2d 413 (4th Cir. 1990), the court merely stated in dicta that the RLA does not have extraterritorial application. This statement did not provide a basis for its decision or that of the Fourth Circuit on appeal. In *General Committee of Adjustment, United Transportation Union v. Burlington Northern, Inc.*, 102 L.R.R.M. (BNA) 2869 (D. Minn. 1979), *aff'd on other grounds*, 620 F.2d 161 (8th Cir.), *cert. denied*, 449 U.S. 826 (1980), the court held only that the RLA's dispute resolution procedures could not be imposed as a matter of law on disputes arising from work performed solely in Canada. In an earlier opinion, the court of appeals had left open the question whether such jurisdiction could be established by custom and practice. *General Committee of Adjustment v. Burlington Northern, Inc.*, 563 F.2d 1279, 1286 (8th Cir. 1977). Although the district court in dicta opined that the jurisdiction of a public law board could not extend to Canadian

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[3]As noted in CSXT's Petition, the National Railroad Adjustment Board has already issued decisions rejecting the claims of CSXT's Canadian employees in two crafts that their agreements required that they be paid in the equivalent of U.S. dollars. Pet. at 24. Contrary to Respondents' suggestion that inconsistency in NRAB decisions concerning its jurisdiction over claims of Canadian employees undercuts CSXT's position, any inconsistency only points up the need for this Court to resolve the issue.

[4]*Air Line Dispatchers Ass'n v. National Mediation Board*, 189 F.2d 685 (D.C. Cir.), *cert. denied*, 342 U.S 849 (1951); *Air Line Stewards & Stewardesses Ass'n v. Northwest Airlines, Inc.*, 267 F.2d 170 (8th Cir.), *cert. denied*, 361 U.S. 901 (1959); *Air Line Stewards & Stewardesses Ass'n v. Trans World Airlines, Inc.*, 173 F. Supp. 369 (S.D.N.Y.), *aff'd*, 273 F.2d 69 (2d Cir. 1959), *cert. denied*, 362 U.S. 988 (1960).

employment, the court of appeals did not reach the issue on appeal, affirming only on the grounds that the district court's finding that the evidence did not support the claim to a binding past practice was not clearly erroneous. 620 F.2d at 163, 164 n.4.

In *Independent Union of Flight Attendants v. Pan American World Airways*, 132 L.R.R.M. (BNA) 2520 (N.D. Cal. 1989), *aff'd*, ___ F.2d ___ [1991 U.S. App LEXIS 206] (9th Cir. Jan. 14, 1991), the court held that it did not have jurisdiction to compel arbitration of a dispute over the applicability of a collective bargaining agreement to foreign operations. As suggested by the dissent to the Ninth Circuit's affirmation of that decision, however, this result loses sight of the fact that the disputes arise out of a collective bargaining agreement negotiated and executed in the United States, the enforcement of which is being sought in the United States. 1991 U.S. App. LEXIS 206, at 11 (Nelson, J. dissenting). Moreover, Respondents here do not claim that CSXT's collective bargaining agreements are not applicable to them; indeed, the applicability of the agreements is central to their underlying breach of contract cause of action.

Contrary to Respondents' claim, none of this Court's decisions on the extraterritorial effect of other federal labor statutes, cited by Respondents at p. 8 of their Brief, provide support for the result reached by the court below. The cited cases hold only that federal labor laws do not apply to disputes involving foreign vessels employing foreign seamen; none involved a dispute arising under a federal contract which such seamen were seeking to enforce.

In sum, the question whether adherence to the Act's jurisdictional restrictions by a U.S. court in the circumstances of this case amounts to "extraterritorial" application of the RLA presents an issue of first impression requiring this Court's attention because of the irreconcilability of the result reached by the court below with well-established RLA precedent.

II. The Decision Of The Court Below Is Significant And Warrants Review

Respondents' attempt to dismiss the conflict between the court of appeals' decision and federal labor policy is transparently unavailing. Their reliance on *Groves v. Ring Screw Works*, 111 S. Ct. 498 (1990), for the proposition that federal labor law "does not preclude parties from providing for non-arbitral means of resolving contract disputes," Resp. Br. at 10, ignores the fact that this case, unlike *Groves*, arises under the RLA, which *mandates* arbitration. *Conrail*, 109 S. Ct. at 2480. Respondents' characterization of CSXT's position as being that the court below "violated federal policy by the very act of examining and interpreting the provisions of the collective bargaining agreements," Resp. Br. at 10, is entirely correct: this Court has expressly held that when presented with a dispute requiring interpretation of a collective bargaining agreement, as does this dispute over the meaning of grievance provisions, a court's role is limited to determining whether the challenged action is "arguably" supported by the agreement or past practice. *Conrail*, 109 S. Ct. at 2482.

Respondents' attempt to defend the court of appeals' "careful analysis" of the Canada Labour Code is similarly unavailing. Resp. Br. at 10. The court's conclusion that the Labour Code does not require arbitration when the agreement provides for another means of dispute resolution ignores the fact that under Canadian labor law, as under U.S. labor law, collective bargaining agreements are not common law contracts. Accordingly, the reference in the Code to "arbitration or otherwise" *cannot* refer to common law enforcement actions like that approved by the court below. It also ignores the fact that under Canadian labor law, as under U.S. labor law, the past practices of the parties are relevant to the determination of the meaning of disputed contract provisions. Given the unquestioned consistent past practice of the parties in this case to send all unresolved contract disputes to arbitration, it is inconceivable that the Canadian courts would permit a common law action to resolve Respondents' contract claims. As noted by CSXT in its Petition, the effect of the court of appeals ruling is to permit Respondents to bring a lawsuit that

they could not bring in their own country, and which U.S. employees could not bring here.

Respondents' attempt to downplay the importance of this decision to the railroad and airline industries is not persuasive.[5] The language in CSXT's collective bargaining agreements that the court interpreted to permit employees to bypass arbitration originated in a 1954 "national" collective bargaining agreement, which applied to all major U.S. railroads and rail unions.[6] All of the U.S. railroads with Canadian operations still have that language in one or more of their collective bargaining agreements to this day.[7] Respondents' glib assertion that CSXT is "free" at any time to seek revision of the provision in no way reduces the need for review of this ruling. As this Court has noted, the dispute resolution procedures under the RLA are "purposely long and drawn out", *Brotherhood of Railway, Airline & Steamship Clerks v. Florida East Coast R.R.*, 384 U.S. 238, 246 (1966), and "almost interminable," *Detroit & Toledo Shore Line R.R. v. United Transportation Union*, 396 U.S. 142, 149 (1969). It will be years at best before CSXT would be able to obtain relief from this ruling through negotiation, and there is

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[5]In an attempt to belittle CSXT's representations as to the consequences of the ruling below, Respondents assert that the courts have refused to apply the RLA extraterritorially "for 40 years without any discernable adverse effects on labor relations in the railroad industry." Resp. Br. at 11. The absence of any disruption, however, is due to the fact that the consistent practice at CSXT and in the industry has been to arbitrate disputes involving Canadian employees, not to litigate them in the courts. Of the six cases that deal with the extraterritoriality issue, only two arose in the railroad industry, and the earliest of the two was first decided in 1977.

[6]*See* Article V of the Agreement And Memorandum Dated August 21, 1954 Between Railroads Represented By The Eastern, Western, And Southeastern Carriers' Conference Committees And The Employees Of Such Railroads Represented By The Employees' National Conference Committee, Fifteen Cooperating Railway Labor Organizations.

[7]Similar provisions are present in the labor agreements of Consolidated Rail Corporation, Norfolk & Western Railway, and Burlington Northern Railroad. These agreements are on file with the National Mediation Board pursuant to 45 U.S.C. § 155 Third (e).

no certainty that the necessary change would be agreed to. Furthermore, CSXT will surely have to give something up in order to regain through bargaining what it believes the agreements already provide. In the meantime, CSXT will continually be at the mercy of potential conflicts between decisions of adjustment boards and decisions of the sundry state and federal courts over the meaning and application of its collective bargaining agreements, while its Canadian employees will be free to shop for a favorable forum in which to seek relief.

III. Review Of The Decision Below At This Time Is Necessary In Order To Preserve CSXT's Rights Under The RLA

Respondent's characterization of the court of appeals decision as interlocutory and therefore not ripe for review is erroneous. This Court has deemed it appropriate to hear appeals from state courts where the federal issue on which appeal is sought has been finally decided even though further proceedings in the state court might be necessary, if the party seeking review might prevail on state law grounds, and if reversal of the state court on the federal issue would preclude further proceedings. *Cox Broadcasting Corp. v. Cohn*, 420 U.S. 469, 482-83 (1975). "In these circumstances, if a refusal immediately to review the state-court decision might seriously erode federal policy, the Court has entertained and decided the federal issue . . . ." *Id.* at 483. *See Construction & General Laborers' Union v. Curry*, 371 U.S. 542, 550 (1963) (postponing review of preemption claim would "seriously erode" the national labor policy requiring certain disputes to be heard by the NLRB rather than by state courts). The circumstances of this case similarly warrant immediate review. The whole point of this case is that Respondents' grievances must be resolved through arbitration, not through litigation. The RLA commits contract interpretation issues to arbitration because Congress believed that arbitrators' familiarity with the industry and its customs and practices would result in decisions more attuned to the parties' needs and more conducive to labor peace than would decisions obtained from the courts. These benefits will be irretrievably lost if review of this decision is delayed until after the proceedings on remand are completed.

CONCLUSION

For the reasons stated herein and in CSXT's Petition, CSXT respectfully requests that a writ of certiorari be issued to the District of Columbia Court of Appeals.

Respectfully submitted,

Nicholas S. Yovanovic
CSXT TRANSPORTATION, INC.
500 Water Street
Jacksonville, FL 32202
(904) 359-1244

H. Russell Smouse
Jack L.B. Gohn
Whiteford, Taylor & Preston
Suite 1400
Seven St. Paul Street
Baltimore, MD 21202
(301) 347-8700

Ronald M. Johnson
Counsel of Record
Charles L. Warren
Victoria A. Higman
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Washington, D.C. 20036
(202) 887-4114

Attorneys for Petitioner
CSX TRANSPORTATION, INC.

January 28, 1991